

J. S. MARRIOTT & Co.

ACCOUNTANTS

32 High Street, Clay Cross, Chesterfield, S45 9DY
Telephone : Office (01246) 861786 Home (01246) 851476

MORTON PARISH COUNCIL

INTERNAL AUDITORS REPORT FOR THE YEAR ENDED 31ST MARCH 2003

We have carried out an internal audit of the Council's books and records for the year ended 31st March 2003 in accordance with the Council's requirements.

Our conclusions are that the Council's books and records comply with relevant procedures and controls with the exception of the following area of weakness.

Staff Wages and Salaries

The PAYE and National Insurance regulations have not been met as follows:-

1. The Council has not registered with the Inland Revenue as an employer, which is in breach of legislation covering employment.
2. Round sum payments of expenses should be declared as part of wages for PAYE and National Insurance.
3. Forms P11D and P9D should be completed for any expenses payments which are classed as benefits.
4. All staff both permanent and casual who did not produce a Form P45 upon commencement of employment should sign a Form P46 so as to ascertain if PAYE and National Insurance is applicable.

As the regulations have not been followed as outlined above the Council is potentially liable to the imposition of financial penalties by the Inland Revenue for misdeclaration and non submission of the relevant Forms and Returns. These penalties would lead to a depletion of the Council's reserves.

The Clerk to the Council has been informed of this oversight and the need to register as an employer with immediate effect in order to correct the situation and ensure compliance in the future.



J S Marriott & Co