

The following issue(s) have been raised to assist the council. The council is recommended to take action on the following issue(s) to ensure that the council acts within its statutory and regulatory framework.

**Internal auditor's recommendation**

*What is the issue?*

The internal auditor has made a recommendation regarding the operation of the Council.

*Why has this issue been raised?*

The council is exposed to the risks associated with this weakness.

*What do we recommend you do?*

The council must implement the recommendation made by the internal auditor to improve the financial systems of the council as soon as possible or in any event before the end of the current financial year.

If the council addresses the issues raised by the internal auditor the council should improve internal controls which will help to prevent and detect error and fraud and assist the council to operate in an effective and efficient manner.

Further guidance on this matter can be obtained from the following source(s):

Governance and Accountability in Local Councils in England - A Practitioners Guide, NALC/SLCC

**PAYE**

*What is the issue?*

The Council are not registered as an employer.

*Why has this issue been raised?*

HMRC applies a tight and restrictive definition for employee status and declared in April 2011 that clerks could not be self employed, and councils should therefore register for PAYE and National Insurance when paying clerks. The council was therefore not in compliance with the requirements during the year to 31 March 2014. The clerk has received a letter from HMRC closing the PAYE scheme, however this is dated December 2012 and is conceived to be out of date.

*What do we recommend you do?*

It is very important that the Council registers as an employer as soon as possible or at least confirms with HMRC that they do not need to register as an employer in light of the guidance issued in April 2011.

Further guidance on this matter can be obtained from the following source(s):

HMRC guidance on website

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