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The Parish Clerk
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Broadgreen Community Centre,
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SN1 2AN

2 August 2019

Interim Internal Audit Report

Central Swindon South Parish Council – April to June 2019

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. We confirm that we are independent of the Council.

The internal audit work we have carried out has been planned to enable us to give our opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2019-20 Annual Governance and Accounts Return.

We have complied with the legal requirements and proper practices set out in:

- 'Governance and Accountability for Local Councils – A Practitioners' Guide (England)' 2019
- The Accounts and Audit (England) Regulations 2015 (as amended).

2 August 2019

Background

Central Swindon South Parish Council has income and expenditure of between £1,000,000 and £2,000,000 and is subject to review by the external auditor, PKF Littlejohn. The Council had a clean annual report from the external auditor for 2018-19.

The Council is not a sole managing trustee.

It is good practice for the Council to comply with the Local Government Transparency Code 2015.

The Council's accounting records are maintained on RBS Omega.

Internal audit checks

We have undertaken a series of audit tests on the Council's financial records, vouchers, documents, minutes, policies, procedures and insurance documentation to ascertain the efficiency and effectiveness of the Parish Council's internal control framework. This internal audit report is based on the audit testing carried out at the visit.

During this visit we checked the following:

- Minutes of Council Meetings
- Policies and procedures
- Bank and cash
- Petty cash
- Investments
- Income and expenditure
- VAT claims
- Risk assessment and insurance
- Budgets and reserves

Findings

Details of good practice noted, our recommendations and other matters to be brought to the Council's attention are set out below.

Good practice

- The Council maintains its books and records on RBS software
- The Clerk is aware of the requirements of GDPR and the Council is registered with the ICO
- Details of total payments authorised at meetings are recorded in the minutes
- All records were up to date and easy to follow
- The budgeting process is detailed and thorough and monitored throughout the year
- Bank reconciliations are carried out promptly each month and were accurate
- The Finance Committee takes an active scrutiny role
- VAT claims are made regularly
- Action has been taken, or is underway on all of the recommendations in the last internal audit report
- The risk assessment has been adopted during the year

Recommendations

Policies and procedures

- Councillors consider the use of council specific email addresses for Council business rather than their personal email addresses.

Bank and cash

- As activity increases cash should be paid in more frequently than once a month.

Petty cash

- There are some balancing errors on petty cash that require correction during the period. Consider introducing a sub-float to improve control and accountability.

Other matters to be brought to the Council's attention

- As noted in our report Councillors use their own private email addresses for Council business. This is not considered good practice; private email accounts may be subject to the Freedom of Information Act if it relates to Council business and in the event of a Freedom of Information request Councillor's private email accounts may be liable to be searched by the Information Commission Officer.
- Not all new equipment that has been purchased (£75k) is insured. The Council should consider this as part of the risk assessment.

Conclusion

Based on the tests we have carried out at this interim internal audit visit, in our view, the internal control procedures in operation are, in all significant respects, adequate to meet the needs of Central Swindon South Parish Council.

Next visit

The next internal audit visit has been arranged for 1 November 2019.

At this visit detailed checks will be carried out on:

- Minutes of Council Meetings
- Bank and cash
- Investments
- Income and expenditure
- VAT claims
- Payroll
- Asset register

Next Steps

This report should be noted and taken to the next meeting of the Parish Council. The Council should decide what action will be taken on the recommendations we have made.

Tim Light FMAAT and Bridget Bowen FCA
Internal auditors