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The Parish Clerk

Central Swindon South Parish Council

Broadgreen Community Centre,

Salisbury Street,

Swindon

SN1 2AN

3 May 2019

Final Internal Audit Report

Central Swindon South Parish Council –January to March 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 are bound by the ethical guidelines of the Association of Accounting Technicians and the Institute of Chartered Accountants of England and Wales. 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 Internal Auditor’s Report on the 2018-19 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)’ 2018
- The Accounts and Audit (England) Regulations 2015 (as amended).

This is the fourth interim audit visit for 2018-19 to check that the Parish Council adheres to the requirements set out in the Governance and Accountability for Smaller Authorities in England ensuring that compliance is maintained for the year ended 31 March 2019.

A series of independent audit tests was undertaken using the various financial records, vouchers, documents, Minutes, previous audit reports to ascertain the efficiency and effectiveness of the Council’s internal controls.

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3 May 2019

Internal audit checks

During this visit we checked the following:

- Minutes of Council Meetings
- Bank and cash and investments
- VAT
- Payroll
- Insurance
- Review of Assets
- Year-end checks

Findings

Minutes of meetings

The Minutes of Parish Council meetings and Finance and Staffing Committee meetings for January to March 2019 were reviewed. All Minutes had been formally adopted at the following meeting.

Bank and cash and investments

The Parish Council holds £94,074.14 in its Barclays Bank current account, £2,144,900.17 in its Barclays Business Premium account and £322,789.46 with the Nationwide Building Society at 31 March 2019.

The financial totals as at 31 March 2019 were confirmed and are accurately shown in the Cash Book.

A sample of BACS, direct debits, standing orders, transfers and bank paying in slips were checked and accounted for in the period 1 January 2019 to 31 March 2019.

The Bank Reconciliation at 31 March 2019 was re-performed and no errors were noted.

The Petty Cash was verified for the Office to £47.74 and the Library to £30.00 as at 31 March 2019.

VAT

It was noted that VAT reimbursement claim totals for the period 1 January 2019 to 31 March 2019 for £130,023.72 was completed on the day of the audit visit and the Responsible Finance Officer is in the process of submitting this claim to HMRC for reimbursement.

Payroll

A test check on the payroll information for March 2019 was made to ensure that PAYE, NI and pension deductions were being properly paid over to HMRC and Wiltshire Pension Fund.

Audit Note: The internal controls to complete the payroll process should be reviewed as the Responsible Finance Officer alone completes the process and sends the information to the bank for payment to all staff at the Parish Council. The details of the payroll are included on the payment listing provided in an appendix to the Finance Committee. These payments are not certified for payment by the Parish Clerk or approved by the Finance Committee.

Recommendation: We recommend that the Parish Clerk should ensure that the payroll information is certified for sending to the bank each month and that the list of salary payments is approved by the Finance Committee to complete the authorisation process.

We recommend that the Council considers outsourcing the payroll to an independent provider.

3 May 2019

Insurance

the Insurance Cover for the Parish Council is brokered through WPS with Aviva Policy Number 25186635CCI. The current level of cover includes Employer Liability of £10m, Public Liability £10m and Fidelity Guarantee of £2,035,000.

Audit Note: We discussed the level of Fidelity Guarantee with the Responsible Finance Officer as the amount currently covered does not provide a level that is sufficient to cover the Parish Council based on a calculation that is equal to Box 1 and half of Box 2 of the Annual and Governance and Accountability Return (AGAR). It is suggested that the Parish Council may wish to consider a review of the level of Fidelity Guarantee based on the sum covered in their insurance Policy.

Asset Register

The Asset Register at 31 March 2019 was reviewed. There were no additions to 31 March 2019. The playground and open space assets transferred from Swindon Borough Council were transferred on 1 April 2019.

Year-end checks

A full check was carried out on the end of year documentation provided by the Parish Clerk to confirm the accuracy of the details to be submitted to the External Auditor. This also included the validation of any variances of totals over 15% between 2017-18 and 2018-19 shown on Section 2 of the Accountability and Governance Annual Return as required by the External Auditor.

The Annual Internal Audit Report was completed with positive answers to all relevant objectives.

Audit Opinion

It is our opinion that the various records and procedures in place for the Parish Council provide an adequate standard of control except where recommendations have been made in this report. All minor queries were resolved during the audit.

Next steps

This report should be noted and taken to the next meeting of the Parish Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Report should also be minuted by the Parish Council.

Tim Light FMAAT and Bridget Bowen FCA

Internal auditors