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The Parish Clerk
Central Swindon South Parish Council
Broadgreen Community Centre,
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SN1 2AN

19 November 2018

Interim Internal Audit Report

Central Swindon South Parish Council - July to September 2018

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 second 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.

4 November 2018

Internal audit checks

During this visit we checked the following:

- Minutes of Council Meetings
- Bank and cash and investments
- Precept income
- VAT
- Income and expenditure
- Payroll
- Legal powers of expenditure
- Risk assessments

Findings

Minutes of meetings

The Minutes of Parish Council meetings and Finance and Staffing Committee meetings for July to September 2018 were reviewed. All Minutes had been formally adopted at the following meeting.

Bank and cash and investments

The Parish Council holds £1.76m in its Barclays Bank current account, £1.2m in its Barclays Business Premium account and £321,128 with the Nationwide Building Society. We understand from the Parish Clerk that the Council continues to be in the process of moving away from Barclays and is opening accounts with Metro Bank.

The financial totals as at 30 September 2018 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 July to 30 September 2018.

A sample of petty cash vouchers were checked and agreed and the petty cash total of £200 at 30 September 2018 was confirmed as accurate.

Audit Note:

Bank statements are exported from online to CVS and printed. There are no original bank statements held on file.

Recommendations:

- *The bank reconciliations are signed each month by the RFO and Chairman of the Finance Committee*
- *We continue to recommend that the Parish Council should continue to review and document its investment strategy to ensure that it maximises its return on investments.*

Precept income

Both precept instalments and the Council Tax Support Grant and Transitional Funding from Swindon Borough Council were agreed to the bank statements and supporting documentation.

4 November 2018

VAT

A VAT reimbursement claim was submitted on 24 July 2018 for the quarter ended 30 June 2018 totalling £13,341.6 and has been received. No VAT claim for the period 1 July to 30 September had yet been submitted at the date of our visit.

Income and expenditure

A test check on income and expenditure for the period 1 July to 30 September 2018 was carried out to ensure details are accurate to the records held by Parish Council.

Payroll

All employees have a contract of employment. Gross rates of pay were agreed to a sample of payslips. We note that the Deputy Clerk's salary has not been recorded in the minutes as having been agreed by the staffing committee or council.

A test check on the payroll information was made to ensure that PAYE, NI and pension deductions were being properly paid over.

Recommendation:

The Council retrospectively ratifies the annual salary of the Deputy Clerk.

Legal powers of expenditure

The current Parish Clerk, Joyce Holman will remain in post until her retirement in December 2018. The Deputy Clerk, Jake Mee has been appointed RFO.

A new designate Clerk has been appointed and is due to commence employment on 1 February 2019.

The Council currently holds the General Power of Competence until the Council elections in May 2019. The Council will need to appoint a qualified locum clerk from January 2019 if it is to continue to operate with the General Power of Competence.

Recommendation:

The Council draws up a detailed plan to appoint a qualified locum clerk as soon as possible after the current clerk's retirement to ensure it can continue to operate under the General Power of Competence.

The Council's risk assessments

The Council's risk assessment for 2018/19 is yet to be updated.

Recommendation:

The Council reviews and updates and adopts all of its risk assessments before 31 March 2019.

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Next visit

The next internal audit visit has been arranged for Friday 8 February 2019.

At the next visit detailed checks will be carried out on:

- Expenditure
- Allotment income
- Further checks on payroll
- Risk assessments
- Budgets and reserves 19-20
- Transparency Code

Audit Opinion

It is our opinion that the various records and procedures in place for the Parish Council provide an adequate standard of control. One minor query was resolved during the course of 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.

We would like to thank Joyce Holman for all her help and assistance over the past eighteen months and we wish her all the best for her retirement.

Tim Light FMAAT and Bridget Bowen FCA

Internal auditors