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

4 August 2018

Dear Ms Holman

Interim Internal Audit Visit: Central Swindon South Parish Council – covering April to June 2018

This is our first internal audit visit in 2018/2019 to check that the Parish Council adheres to the requirements set out in the Governance and Accountability for Smaller Authorities in England to ensure that compliance is maintained.

This internal audit report continues to test compliance against the proper practices set out in Governance and Accountability for Smaller Authorities in England and follows up on the recommendations made in our last internal report dated the 8 May 2018.

We have carried out independent audit tests using various financial records, vouchers, documents, Minutes and insurance documentation to ascertain the efficiency and effectiveness of the Parish Council's internal control framework.

We discussed with the Parish Clerk the continuing increase in activity of the Parish Council in the period April to June 2018. A new Transition Clerk appointed in February 2018 with a view to becoming Parish Clerk in the summer of 2018 has recently left the Parish Council's employment. It has now been agreed that Ms Holman will remain in post as Parish Clerk and RFO until 31 December 2018. A new Deputy Clerk has been appointed and started work on 23 July 2018.

To maintain the Power of Competence at the Parish Council the current Parish Clerk should hold a CILCA qualification.

As part of the Internal Audit Review we checked that:

Bank Accounts

The Parish Council holds £920,428 in its Barclays Bank current account, £1.2m in its Barclays Business Premium account and £320,772.18 with the Nationwide Building Society. We understand from the Clerk that the Council is in the process of moving away from Barclays and is opening accounts with Metro Bank.

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We are pleased to note that the Council is spreading its investments. It has been brought to our attention that as a larger Parish Council the Council is not covered by the Financial Services Compensation Scheme.

Recommendation:

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.*

Bank Reconciliations

The financial totals as at 30 June 2018 were confirmed and are accurately shown in the Cash Book.

A sample of BACS, direct debits, standing orders, transfers were checked and accounted for in the period 1 April to 30 June 2018.

All bank paying in slips were banked and agreed to bank statements in the period 1 April to 30 June 2018.

Income and Expenditure

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

Audit Note:

We are pleased to note that the following recommendations have been implemented:

- receipt vouchers are in use and detailed listings of cash receipts have been introduced by the Deputy Clerk
- the Council has purchased a safe
- a banking routine has been recently introduced to ensure that all income is receipted and banked within seven days of receipt and is now done at a local bank in Swindon. Time has been made available to allow two members of staff to take the income to the bank. The day of week and time of the day will be varied on each occasion.

Recommendation:

We recommend that:

- *the controls over cash income are strengthened further by adding a folio number to each of the receipt vouchers*

VAT

A VAT reimbursement claim was submitted on 24 July 2018 for the quarter ended 30 June 2018 totalling £13,341.6. All invoices were checked and confirmed with correct address of the Parish Council.

Audit Note: We are pleased to note that VAT reimbursement claims are now being submitted quarterly.

Assets Register

The Council has passed a resolution that purchases that are under £1,000 each will not be recorded on the Assets Register.

The Asset Register currently records only those assets transferred to the Parish Council when it was formed being allotments valued at a nominal value of £14. Other assets, in particular the play areas, remain in the process of being transferred to the Council.

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Parish Council Minutes

The Minutes of Parish Council meetings and Finance and Staffing Committee meetings for April to June 2018 were reviewed. All Minutes had been formally adopted at the following Parish Council meetings. The April minutes had not yet been initialled.

Legal powers of expenditure

The Council has the General Power of Competence. The Council continues to provide grants to the Swindon Borough run library for additional staffing hours.

We have recently had confirmation via the local Wiltshire Branch of the NALC through advice to another Council that makes similar payments, that these payments are lawful. They may be made either under the General Power of Competence or, should the Council cease to have the General Power of Competence at some point in the future, under Section 137 (1), subject to the normal restrictions of spend per elector.

Audit Opinion

We are pleased to note that progress has been made on all the recommendations in this report to enhance and strengthen the internal controls that exist. We note that rapid action is being taken to implement all our recommendations and to implement new controls as and when necessary as the activity of the Council continues to grow.

Our opinion is that when all the steps currently in progress are in place assurance can be given that the internal control framework is adequate.

This letter 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 Letter Report should also be minuted by the Parish Council.

Yours sincerely,

Tim Light FMAAT and Bridget Bowen FCA

Internal Auditors