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Signing Statement:	Wiston Parish Council agrees and approves the contents of this document.

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Our Ref: MARK/WIS001

Mrs L Woodage
Wiston Parish Council
New Barn
North Lane
Wiston
West Sussex
BN44 3DQ

24th April 2020

Dear Lucinda

Re: Wiston Parish Council
Internal Audit Year Ended 31st March 2020

Following completion of our internal audit on the 30th April 2019 we enclose our report for your kind attention and presentation to the Council. The audit was conducted in accordance with current practices and guidelines and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date. Where appropriate **recommendations for future action are shown in bold text and summarised in the tables at the end of the report.**

Due to the COVID-19 restrictions in place at the time of the final audit, this was carried out remotely, and I would like to thank Lucinda for ensuring all of the requested information was sent through in a timely fashion to allow this process to be completed.

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. The internal audit reports should therefore be made available to all members to support and inform them when they considering the authority's approval of the annual governance statement.

Summary Findings

At the visit we reviewed and performed tests on the following areas:

- Review of the Financial Regulations & Standing orders
- Review of the Risk Assessments
- Review of the Budgeting process
- Review of annual accounts & annual return
- Review of bank reconciliation
- Review of income
- Review of salaries
- Review of information for external auditor

It is our opinion that the systems and internal procedures at Wiston Parish Council are regulated and followed. I am pleased to report that overall, the systems and procedures you have in place are entirely fit for purpose. I would like to thank the Clerk for her hard work during the year.

I am of the opinion that the annual accounts and AGAR are ready to be signed off by council and the external auditor and that the AGAR is a true and fair reflection of the financial transaction of that of the council for the year ended 31st March 2020. Accordingly, I have signed off the AGAR.

A. BOOKS OF ACCOUNT

The council continues to use excel for recording the day to day transactions of the council. There were approximately 50 transactions in total during the year. Whilst due to the remote nature of the audit detailed testing of supporting documentation was unable to be conducted, previous internal audit reports have concluded that they could easily be located from records.

I tested opening balances as at 1/4/19 and confirmed they could be agreed back to the audited accounts for 2018/19.

The council is not VAT registered and the last VAT return was for the period ended 31st March 2020, which shows a refund position. This also indicates that the council is up to date with its postings on the financial package.

Overall, I have the impression that the accounting systems are well ordered and routinely maintained and as such I make no recommendation to change. I am of the opinion that the control assertion of "Appropriate accounting records have been properly kept throughout the financial year" has been met.

B. FINANCIAL REGULATIONS, GOVERNANCE & PAYMENTS

Confirm that the Parish Council has adopted and recently reviewed Financial Regulations.

The council has NALC model regulations – these were readopted in May 2019. The activity was minuted. This is in accordance with regulations.

Check that the council's Financial Regulations are being routinely followed by tracking some sample payments

Due to the remote nature of the audit, detailed tracing of invoices and council authorisation was not possible. However, review of minutes from the council's website show that transactions are presented for authorisation in accordance with regulations.

Previous internal audits have concluded that correct processes are followed and based on the information available for the remote audit, I am in no doubt that this is the case.

Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit of £7.86 per elector.

There has been no section 137 expenditure incurred during the year.

Confirm that quarterly checks of the accounts are made by a councillor.

Previous internal audits concluded that the council reviews at each meeting the bank reconciliations, and full cashbook. Review of council minutes from the website supports this conclusion. The limited number of transactions lends itself to this type of review.

Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months

The council has NALC model regulations – these were readopted in May 2019. The activity was minuted. This is in accordance with regulations.

Check the draft minutes of the last meeting(s) are on the council's website

The council routinely posts up its minutes to its web site within 30 days of the meeting.

Check that agendas for meetings are published giving 3 clear days' notice.

Through access to the council's website, I was able to confirm that at least 3 clear days' notice is given in accordance with regulations.

Confirm that the Parish Council is compliant with the Data Protection Act 1998 and that plans are being put in place to comply with GDPR 2018

The council has policies and statements in place in respect of GDPR.

I am of the opinion that the council has robust policies and procedures in place and follows these. I make no recommendation to change.

I am of the opinion that the control assertion "This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for", has been met.

C. RISK MANAGEMENT & INSURANCE

The council undertakes a full risk assessment that covers operational and financial risks, this was last reviewed by council in July 2019.

I have confirmed that the council has a valid insurance certificate. The council reviews its insurance requirements as part of the renewal process.

I am of the opinion that the control objective of "This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.", has been met

D. BUDGET, PRECEPT & RESERVES

The council has no earmarked reserves and retains all its balance in a general reserve. General guidance recommends a general reserve of 50% of precept as adjusted for local conditions to be reasonable. However, with such a low precept, holding in excess of this recommendation is not inappropriate.

I am of the opinion that the control objective of "The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.", has been met.

E. INCOME

The precept income was tested to remittance advice notes, these were properly received and banked. There are no errors to report. Other income comprises, grants, and VAT refunds. I have reviewed the cashbook and was able to agree the most recent receipts to the year-end bank statement. There were no errors.

I am of the opinion that the control objective of "Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.", has been met.

F. PETTY CASH

The council has no petty cash

G. PAYROLL

The council has one employee, and the payroll is below the threshold for reporting to HMRC. The payroll costs were verified to the accounting records and correctly recorded in box 4 on the Accounting Statement.

I am of the opinion that salaries are correctly stated on the AGAR and that the control object of “Salaries to employees and allowances to members were paid in accordance with this authority’s approvals, and PAYE and NI requirements were properly applied.”, has been met.

H. ASSETS AND INVESTMENTS

The fixed asset register has been maintained in an Excel spreadsheet and agreed to the AGAR. The asset register was up to date with all relevant assets as at the current financial year end.

I am of the opinion that the control objective of “Asset and investments registers were complete and accurate and properly maintained.”, has been met.

I. BANK & CASH

At the year-end date, the council had a reconciled bank position. I have reviewed the reconciliation there were no outstanding payments. A review of the cashbook control showed this to agree to the AGAR and underlying receipts and payments analysis.

I am of the opinion that bank and cash balances are properly shown on the AGAR and that the control objective of “Periodic and year-end bank account reconciliations were properly carried out.”, has been met.

J. YEAR END ACCOUNTS

The year-end accounts have been correctly prepared on the receipts and payments basis, with no requirement of a box 7 & 8 reconciliation. The council will submit the annual exemption certificate, as they had in the previous year.

The AGAR correctly casts and cross casts and the comparatives have been correctly copied over from the 2018/19 AGAR.

The explanation of variances has been completed with sufficient detail and explanations provided for variances in excess of 15%. At the time of the year-end audit, the AGAR figures presented for checking were as below:

AGAR Box Number		2018/19	2019/20	Auditor Notes
1	Balances brought forward	12,027	9,695	Correctly carried over from box 7 2018/19
2	Precept or rates and levies	4,156	4,156	Confirmed against precept amount received
3	Total other receipts	620	6,667	Confirmed against accounting records
4	Staff costs	2,715	2,862	Confirmed against accounting records
5	Loan interest/capital repayments	0	0	Council has no borrowing
6	All other payments	4,393	2,843	Confirmed against accounting records
7	Balances carried forward	9,695	14,813	Total correctly equals (1+2+3) – (4+5+6)
8	Total value of cash and short-term investments	9,695	14,813	No difference as accounts prepared on receipts and payments basis
9	Total fixed assets plus	3,325	3,325	Total matches asset register

	long term investments and assets			
10	Total borrowings	0	0	Council has no borrowing

I am of the opinion the AGAR will be ready for submission to the external auditor within statutory time scales and that the control objective of "Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.", has been met.

K. TRUSTESHIP

The council has no trusts.

L: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS

This new internal control objective is not active for 2018-19 financial year. However, I confirmed with the RFO that arrangements are in place at this Council to ensure proper exercise of public rights. Relevant dates are set out in the table below.

Inspection - Key date	2018-19 Actual	2019-20 Proposed
Accounts approved at full council	15 th May	To be confirmed
Date Inspection Notice Issued and how published	31 st May	To be confirmed
Inspection period begins	3 June	To be confirmed
Inspection period ends	12 July	To be confirmed
Correct length	Yes	
Common period included?	Yes	
Summary of rights document on website?	Attached to inspection announcement	

I am satisfied the requirements of this control objective were met for 2018-19, and assertion 4 on the annual governance statement can therefore be signed off by the council.

The Clerk is aware of The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, coming into force on 30th April, which provide guidance regarding the extended statutory audit deadlines for 2019-20, and will ensure the council meets the revised requirements.

Should you have any queries please do not hesitate to contact me, attention.

Kind regards
Yours sincerely

A Beams

Andy Beams