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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

30th April 2019

Dear Lucinda

Re: Wiston Parish Council
Internal Audit Year Ended 31st March 2019

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.**

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
- Proper Bookkeeping – review of the use of the accounts package.
- 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 2019. 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 that of the council. On average there are approximately a 25 transactions annually. My audit testing showed that supporting documentation could be easily located from records.

I tested opening balances as at 1/4/18 and confirmed they could be agreed back to the audited accounts for 2017/18.

The Council is not VAT registered and the last VAT return was for the period ended 31st March 2019, 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 2018. 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

I have selected the larger purchases and traced these through from the cashbook to the hard copy invoice and minutes, noting council authorisation at each stage.

The payment schedule is reported in the minutes and as such is posted to the council website, this is in accordance with the transparency Act requirements and ensures all payments are made available to the wider public. Where applicable personal information is redacted.

Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit of £7.86 per elector. No S.137 expenditure has been incurred.

Confirm that quarterly checks of the accounts are made by a councillor. The council reviews at each parish meeting the bank reconciliations, and full cashbook. 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 2018. 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.

The clerk was able to demonstrate that at least 3 clear days' notice is. This is 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.

All Other Payments £4,393 (2018: £1,506). The council has bought new signage in the year which accounts for the large variance year on year.

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 taken to council in July 2018.

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

We discussed assertion 8 of the AGAR and whether or not this had any impact on the council.

"We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements."

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

Reserves Carried Forward £9,695 (2018: £12,027)

The council has no earmarked reserves. Rule of thumb calculations would suggest a general reserve of 50% of precept as adjusted for local conditions to be reasonable at circa £2k. However, given the small quantum of the reserve (£9k)– this is not inappropriate. The councils general reserve is entirely acceptable.

The Council has such a small number of transactions this is undertaken at every meeting when the invoices and finances are reviewed.

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

Precept income £4,156 (2018: £3,985)

Other income £620 (2018: £568)

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 receipts to remittances and bank statements. 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

No petty cash

G. PAYROLL

Salaries £2,715 (2018: £2,400)

The council has one employee. The payroll is below the threshold for reporting to HMRC. The payroll costs were verified to the cashbook and invoices.

I am of the opinion that salaries are correctly stated on the AGAR and that the control objective 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

Fixed Assets and Investments £3,325 (2018: £2)

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

Bank & Cash Balances £9,695 (2018: £12,027)

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.

The AGAR correctly casts and cross casts and the comparatives have been correctly copied over from the 2017/18 AGAR.

The variance analysis is required because there are variances greater than 15% and £500

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

No trusts.

L: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS

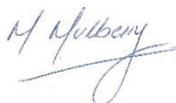
This new internal control objective is not active for 2018-19 financial year. However, I confirmed with the RFO that arrangements are in place at this Council to ensure proper exercise of public rights. Relevant dates are set out in the table below.

Inspection - Key date	2017-18 Actual	2018-19 Proposed
Accounts approved at full council	16 th May	15 th May
Date Inspection Notice Issued and how published	1 June	31 st May
Inspection period begins	4 June	3 June
Inspection period ends	13 July	12 July
Correct length	Yes	yes
Common period included?	Yes	yes
Summary of rights document on website?	Attached to inspection announcement	Attached to inspection announcement

I am satisfied the requirements of this control objective were met for 2017-18, and assertion 4 on the annual governance statement can therefore be signed off by the Council. Plans are also in place to allow for inspection periods to be published and set correctly for 2018-19 accounts – the Council is planning to follow dates suggested by external audit.

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

Kind regards
Yours sincerely



Mark Mulberry