



## MULBERRY & CO

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Our Ref: MARK/WIS001

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

15<sup>th</sup> May 2018

Dear Lucinda

**Re: Wiston Parish Council**  
**Internal Audit Year Ended 31<sup>st</sup> March 2018**

Following completion of our internal audit on the 15<sup>th</sup> May 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 underlined text.

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 return and the exemption certificate are ready to be signed by council and the certificate sent to the external auditor. The annual return is a true and fair reflection of the financial transactions of that of the council for the year ended 31<sup>st</sup> March 2018. Accordingly, I have signed off the annual return.

### **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 30 transactions annually.

There have been no reported issues in the past and for recording receipts and payments this is entirely fit for purpose and I see no reason to make any recommendation to change.

## **B. Financial regulations & payments**

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

The council, in its May 2017 meeting adopted NALC Model financial regulations these will be taken to the May 2018 meeting for review and re-adoption. 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 January 2018 minutes and traced the authorised payments to the invoices and bank statements, 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 £7.57 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, in its May 2017 meeting adopted standing orders and these will be taken to the May 2018 meeting for review and re-adoption.

*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 is aware of the change in regulations and has undergone training. I am of the opinion that the council is taking seriously its obligation to fulfil the requirements of the GDPR.

*Check the publication of councillor's contact details etc*

The website has Parish Council contact details, together register of interests.

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 £1,506 (2017: £698). The council's payments have not changed significantly year on year – I was able to verify these the invoices.

## **C. Risk management & insurance**

The council has a detailed risk assessment document. This document is entirely fit for purpose for a council of this size, however it must be taken to council and be reviewed before 31<sup>st</sup> March 2019.

Regular backs ups are taken to an external drive.

I have confirmed that the Council has a valid insurance certificate. The Council reviews its insurance requirements as part of the renewal process. Asset & money cover appears adequate.

#### **D. Budget, precept & reserves**

Reserves Carried Forward £12,027 (2017: £11,380)

The council has £5,800 of earmarked reserves and a general reserve of £6,227. 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 (£6k)– 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 reserves are properly monitored.

#### **E. Income**

Precept income £3,985 (2017: £4,128)

Other income £568 (2017: £762)

The precept income was tested to remittance advice notes and bank statements, 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.

In total, income has decreased by £194 an immaterial amount.

I am of the opinion that income is properly recorded.

#### **F. Petty cash**

No petty cash

#### **G. Payroll**

£2,400 (2017: £2,352)

The council has one employee. The payroll is below the threshold for reporting to HMRC. The employee has a signed contract of employment and payroll rates and hours are approved by council as evidence in the March 2018 minutes.

I am of the opinion that staff costs are properly disclosed on the annual return.

#### **H. Assets and investments**

Fixed Assets and Investments £2 (2017: £2)

The fixed asset register agreed to the annual return, the register lists the assets at their cost or proxy cost.

I am of the opinion that fixed assets are properly disclosed on the annual return.

#### **I. Bank reconciliations**

Bank & Cash Balances £12,027 (2017: £11,380)

At the year-end date the council had a reconciled bank position which will be approved by council in the May 2018 meeting. I have reviewed the reconciliation there were £200.35 of outstanding payments. All outstanding cheques cleared after date. A review of the cashbook control showed this to agree to the annual return and underlying receipts and payments analysis.

I am of the opinion that bank and cash balances are properly shown on the annual return.

#### **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 annual return correctly casts and cross casts and the comparatives have been correctly copied over from the 2016/17 annual return.

The variance analysis is required for box 6, together with an explanation of high reserves at box 7.

The council has made provision within its schedule of meetings to sign off the annual governance statement and accounts in time to display the notice of electors rights.

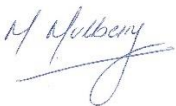
I am of the opinion the exemption certificate is ready to send to the external auditor.

#### **K. Trusteeship**

No Trusts

Should you have any queries please do not hesitate to contact me, finally I enclose a fee note for your kind attention.

Kind regards  
Yours sincerely

A handwritten signature in blue ink, appearing to read 'M. Mulberry', with a stylized flourish at the end.

**Mark Mulberry**