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15 June, 2020

The Parish Clerk

North Hinksey Parish Council

29 Long Close,

Botley,

Oxford OX2 9SG

Dear Colin

Final Internal Audit Report

North Hinksey Parish Council – April 2019 to March 2020

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 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 Annual Internal Auditor's Report on the 2019-20 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)' 2019
- The Accounts and Audit (England) Regulations 2015 (as amended).



Background

North Hinskey Parish Council has income and expenditure of between £100,000 and £150,000 in 2018/2019 and certified itself exempt from the limited assurance review by the External Auditor, Moore’s.

The Council is not a sole managing trustee.

It is good practice for the Council to comply with the Local Government Transparency Code 2015.

The Council’s accounting records are maintained on RBS Alpha Software.

The Clerk is using Alpha Software for 2019/2020 financial year. All transactions for the year 2019/2020 were recorded on the software and its continued use will the Parish Council with an effective system to record its financial transactions and budget information.

The current Coronavirus outbreak has delayed any visit taking place this year, but consultations have continued by video link and telephone conference calls with the Clerk. The Clerk has also provided back-up information for the period April 2019 to March 2020 from the Railtas Alpha Software to support the current governance and financial management position of the Council.

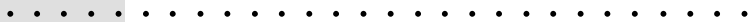
Further confirmation has been obtained of good practice and compliance with the Transparency Code Regulations 2015 from the Council’s website.

Internal audit checks

We have undertaken a series of audit tests on the Council’s financial records, vouchers, documents, Minutes, policies, procedures, and insurance documentation to ascertain the efficiency and effectiveness of the Parish Council’s internal control framework. This internal audit report is based on the audit testing carried out at the visit.

During this audit we checked the following:

- Minutes of Council Meetings
- Policies and procedures
- Bank and cash
- Investments
- Income and expenditure
- VAT claims
- Insurance
- Budgets and reserves
- Payroll
- Transparency of the Council website
- End of Year Procedures



Findings

Details of good practice noted, our recommendations and other matters to be brought to the Council's attention are set out below.

Good practice that is being followed

- The Council maintains its books and records on RBS Alpha software
- The Clerk is aware of the requirements of GDPR and the Council is registered with the ICO
- Details of total payments authorised at meetings
- All records were up to date and easy to follow
- The budgeting process is detailed and thoroughly monitored throughout the year
- Bank reconciliations are carried out promptly each month and were accurate
- The Council takes an active scrutiny role
- The Insurance is appropriate for the size of the Council.
- Payments to HMRC for National Insurance and PAYE are made regularly
- The Assets Register is up to date and correctly records the items owned by the Council.

Recommendations

VAT

- VAT reimbursement claims should be sent to HMRC at least twice a year.

Payment of Invoices

- each invoice received for payment should be checked by the Parish Clerk and matched to the payment to be made. The invoice should then be initialled to certify that the payment has been matched and agreed to the amount shown on the invoice for payment.

Audit Note: We noted that the invoice/payment voucher does not show the initials of the Parish Clerk mandated to authorise the payment.

Other matters to be brought to the Council's attention

- As the Council has not reviewed its risks for 2019/20 the Council we have to answer "No" to assertion 5 on the 2019/20 Annual Governance and Accountability Return (AGAR) Governance Statement. We have also answered "No" on the Annual Internal Audit Report on the AGAR objective C to confirm that the risks were not reviewed during the financial year.
- The Website Accessibility Regulations 2018 will need to be considered to ensure that Parish Council can comply with the Regulations for existing websites by the 23 September 2020.
- The 2019/2020 AGAR Internal Audit Report will require the Internal Auditor to check the Council has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations during 2019/2020. This will include the Internal Auditor being shown evidence that the posting of the notice on the website was done at least one clear day before the 30-working day period begins. We have not been able to find evidence to trace that this was confirmed on the Council website.

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- The Parish Clerk has also checked that the Asset Register is correct as at the 31 March 2020. Details of all new purchases or disposals have been recorded and accounted for when completing Box 9 of the Accounting Statements on the AGAR 2019/2020.
- It is noted that the Clerk should continue to ensure that the Council Website will remain compliant with the Transparency Code 2015.

End of Year Procedures 2019/2020

- A full check was carried out on the end of year documentation provided by the Parish Clerk to confirm the accuracy of the details. This also included the validation of any variances of totals between 2018/19 and 2019/20 shown on the AGAR in Section 2 as required by the External Auditor which is over 15%.
- All other information provided confirms the accuracy of the details to be shown in Section 2 of the AGAR and therefore we have signed the internal audit report on the AGAR for 2019/2020.
- The External Auditor has for the first time required the Internal Auditor to check that the authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

An extract from the External Auditors notifications states:

“Our view is that Internal Control Objective L can only be answered positively if the Internal Auditor has seen evidence that:

- the Notice and approved AGAR Sections 1 and 2 were published on the website at least one day prior to the start of the period; and
- the period was compliant with the Regulations, i.e. 30 consecutive working days including the first 10 working days in July and commencing after the Section 2 approval date; and
- the Notice and approved AGAR remained on the website from the date of announcement to the end of the period.

“If the Internal Auditor does not have evidence that all these criteria were met, a ‘No’ answer must be given; and if any cannot be demonstrated, a ‘Not covered’ answer must be given”

Although we have completed Objective L on the Internal Audit Report (AGAR) showing this as “No” for 2019/2020, it should be noted that compliance will be resolved at the time of posting the Notice for the Exercise of Public Rights 2020.

Next Steps

This report should be noted and taken to the next meeting of the Parish Council. They should decide what action will be taken on the recommendations we have made.

Tim Light FMAAT
Internal auditor