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# LIGHTATOUCH

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30 April 2020

The Parish Clerk

East Tisted Parish Council

Old Station House

East Tisted

Alton

Hants

GU34 3QU

Dear Helen

**East Tisted Parish Council Internal Audit Report Letter for Council 2019/2020**

**April 2019 –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 Accountability and Governance and Accounts Return AGAR).

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).

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The current Coronavirus outbreak has delayed a visit taking place in 2019/2020, but consultations have continued by video link and/or telephone conference calls with the Clerk. The Clerk has also provided back-up information for the period April 2019 to March 2020 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.

A series of independent audit tests were undertaken from the information made available to ascertain the efficiency and effectiveness of these internal controls.

The Parish Council will need to submit a Certificate of Exemption to the External Auditor for 2019/2020 as their income and expenditure falls below the threshold of £25,000 that requires the Parish Council to have an External Audit.

A full check was also carried out on completion of the Accountability and Governance Annual Return (AGAR) for 2019/2020 to ensure that the Parish Council will be able to adhere to the Transparency Code Requirements 2015.

As part of this internal audit review we checked that:

#### **Bank Reconciliations**

- the financial totals as at 31 March 2019 had been brought forward accurately.
- any un-presented cheques, online payments and un-banked income as at 31 March 2019 were checked to bank statements to verify these were banked in April 2019.
- all direct credits, standing orders, transfers were checked and accounted for the period 1 April 2019 to 31 March 2020.
- all income was banked and agreed to bank statements for the period 1 April 2019 – 31 March 2020.
- bank reconciliations for the bank account had been carried out between 1 April 2019 – 31 March 2020, and totals agreed to those shown in the Cash Book.

#### **Income and Expenditure**

- all un-presented cheque information as at 31 March 2020 was confirmed and that the details are accurate to the records held by Parish Council.
- test checks of the Cash Book totals for April 2019 – March 2020 were checked to payment information to ensure that the details were correctly recorded, and VAT elements extracted correctly.
- Income recorded in the bank accounts was checked to ensure the details matched to those entries shown in the Cash Book.

#### **VAT**

- a VAT reimbursement claim was received for £183.16 on the 10/10/2019 and related to purchases in 2018/2019.
- A new claim is being prepared and will be submitted to HMRC for the period 2019/2020

### **Payroll Information**

**Audit Note:** We continue to note that the current Parish Clerk does not draw any salary from the Parish Council due to her status as a Parish Councillor

### **Asset Register**

- we confirmed with the Parish Clerk that he has reviewed the Assets Register and has now brought this up to date as at 31 March 2020.

### **Risk Assessment 2019/2020**

- the risks of the Parish Council were reviewed in August 2019 to ensure that the requirements of the Governance and Accountability for Smaller Authorities in England (March 2020) is met.

### **Insurance**

- the Insurance Cover for the Parish Council is with Norris and Fisher. The current level of cover is sufficient for the size of the Parish Council in 2019/2020.

### **Parish Council Minutes**

- we checked the details of Parish Council Minutes on the Council website from April 2019 to March 2020 to record points of note for any financial approval or decision that affected the budget of the Parish Council and to ensure that details were correctly shown in the Financial Ledger.

### **Exercise of Public Rights 2019**

- 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.  
*(Audit Note: The Internal Auditor has completed "Not Covered" on the Internal Audit Report on the AGAR as the evidence of the posting date is not available).*  
*The posting date of the Exercise of Electors Rights will need to be recorded and evidenced for 2020.*

### **End of Year Procedures**

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 have signed the internal audit report on the AGAR for 2019/2020.

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**Audit Opinion**

All the internal control statements shown in the internal audit report of the AGAR have been completed to show our opinion that there is an appropriate control framework in place for the Parish Council except for Objective L which will be resolved at the time of posting the Notice for the Exercise in 2020.

The Parish Council are required to adhere to the Accounts and Audit Regulations 2015 including the period for the exercise of public rights to be fully completed and along with the copy of the exemption certificate, publish the details on the Parish Council website before the 1 September 2020.

This letter report should be circulated for the next meeting of the Parish Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Report Letter should also be Minuted by the Parish Council.

Yours sincerely,

Tim Light FMAAT - Internal Auditor