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1 May 2019

The Parish Clerk

East Tisted Parish Council

Old Station House

East Tisted

Alton

Hants

GU34 3QU

Dear Mrs Evison

**Internal Audit Letter Report for East Tisted Parish Council 2018/19**

**April 2018 – March 2019**

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, considering public sector internal auditing standards or guidance.

We are bound by the ethical guidelines of the Association of Accounting Technicians (AAT). 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 Internal Auditor's Report on the 2018-19 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)' March 2018
- The Accounts and Audit (England) Regulations 2015 (as amended).

Two visits were undertaken for 2018-19 to check that the Parish Council adheres to the requirements set out in the Governance and Accountability for Smaller Authorities in England ensuring that compliance is maintained for the year ended 31 March 2019. . . . .

A series of independent audit tests was undertaken using the various financial records, vouchers, documents, Minutes, the previous audit report to ascertain the efficiency and effectiveness of the Council's internal controls. This visit is to check that the Parish Council adhere to the requirements set out in the Governance and Accountability for Smaller Authorities in England ensuring that compliance is maintained. The visits took place on 24 April 2019 and 1 May 2019.

An Internal Audit testing strategy is set out in the current Governance and Accountability for Smaller Authorities in England appendix 5. This covers a "suggested approach to internal audit testing" covering 10 aspects ranging from Proper bookkeeping right through to Year-end procedures. Our Internal Audit testing is based on this approach.

The Parish Council will submit a Certificate of Exemption to the External Auditor for 2018/2019 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 2018/2019 to ensure that the Parish Council will be able to adhere to the Transparency Code Requirements 2015.

As part of the Internal Audit Review we checked:

**Bank Reconciliations – TSB Treasurers Account No 00009963**

- the financial totals as at 31 March 2018 had been brought forward accurately.
- any un-presented cheques, on line payments and un-banked income at 31 March 2018 were checked to bank statements to verify these were banked in April 2018.
- all bank giro credit income was banked and agreed to bank statements for the period 1 April 2018 – 31 March 2019.
- bank reconciliations for the bank account had been carried out between 1 April 2018 – 31 March 2019, and totals agreed to those shown in the Cash Book.

**Income and Expenditure**

- all un-presented cheque information as at 31 March 2019 was confirmed and that the details are accurate to the records held by Parish Council.
- test checks of the Cash Book totals for April 2018 – March 2019 were checked to payment vouchers/invoices paid to ensure that the details were correctly recorded and VAT elements extracted correctly.
- income recorded in the bank accounts were checked to the remittances held in the accounts file and details matched to those entries shown in the Cash Book.

**VAT**

- It was noted that a reimbursement claim has been received for a total of £309.00 for the period 01/03/2018 to 28/11/2018 from HMRC on the 06/12/2018.

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- The Cash Book provides for a column to extract the VAT elements and a check was carried out to agree the accuracy of all the amounts shown on the reimbursement claim to those elements that had been recorded both in the Cash Book and on the invoices for the period 1 April 2018 – 31 March 2019.

#### **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.

#### **Assets Register**

- The Assets Register is up to date and the purchase of a Defibrillator was added during 2018/2019.

#### **Risk Assessment**

- It is noted that this was approved by and minuted by the Parish Council at their meeting on the 23 May 2018.

#### **Insurance Cover**

- the Insurance Cover for the Parish Council continues to be brokered through Norris and Fisher Policy Number CH/5312578E/10047. The current level of cover includes Employer Liability of £10m and Fidelity Guarantee of £100,000 which is sufficient for the Parish Council in 2018/2019.

#### **Transparency Code, General Data Protection Regulation (GDPR) May 2018**

To follow the requirements in full of the Transparency Code Regulation 2015 the following should be displayed on the Parish Council Website:

- a. all items of expenditure above £100
- b. end of year accounts
- c. annual governance statement
- d. internal audit report
- e. list of councillor or member responsibilities
- f. the details of public land and building assets
- g. Minutes, agendas and meeting papers of formal meetings

- from looking at the Website it appears that the Parish Council does comply with all these requirements of the Transparency Code 2015.

#### **Parish Council Minutes**

- We checked the details of Parish Council Minutes from April 2018 to March 2019 to record points of note and 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.

#### **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 2017/18 and 2018/19 shown on the AGAR in Section 2 as required by the External Auditor which is over 15%.
- We are satisfied that the 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 2018/2019.

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•All the internal control statements shown in the internal audit report of the AGAR have been completed to show our opinion that there are adequate internal control systems for the Parish Council.

**AGAR 2018/2019**

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 July 2019.

**Audit Opinion**

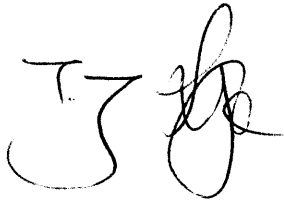
The various records and procedures in place provide an adequate standard of control. All minor points were resolved during the course of the Internal Audit with the Parish Clerk.

This letter report should be noted and taken to 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

A handwritten signature in black ink, appearing to be 'T. Light', written over a faint circular stamp or watermark.