

.....

LIGHTATOUCH

7 Hodder Close, Chandlers Ford, Hants, SO53 4QD.
Tel: 07762 780605 Email: Tim.Light1@hotmail.co.uk

08 July 2020

The Parish Clerk

South Wonston Parish Council

PO Box 324

South Wonston

Winchester

SO21 3WB

Dear Rachael

**Final Internal Audit Review:
South Wonston Parish Council – covering January 2020 to March 2020 and Year End procedures**

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).

This is the final audit in 2019/2020 to check that the Council adheres to the requirements set out in the Governance and Accountability for Smaller Authorities in England ensuring that compliance with proper practices is maintained.

.....

The current Coronavirus outbreak has delayed further visits taking place, but consultations have continued by telephone conference calls with Clerk. The Clerk has also provided back-up information from RBS Omega software for the period January 2020 to March 2020 and end of year details 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.

As we have carried out an interim internal audit visit in February 2020, we are also using the information already recorded from this visit to complete the internal control objectives on the (AGAR) Internal Audit Report.

Where this is necessary, we will complete the AGAR Internal Audit Report on evidence already seen from the previous visit. This is acceptable practice for the External Auditor

As part of this final Internal Audit Review we checked:

Bank Reconciliations

- all Bank Reconciliations at 31 March 2020 were re-performed and no errors were noted.

Income and Expenditure

- all income and expenditure items as at 31 March 2020 were confirmed and details are accurate to the records held by Council.

Parish Council Website and Policies

We checked the Parish Council website to see if it was up to date and provided sufficient details in line with best practice requirements under the Transparency Code Regulations 2015.

We noted that not all the full requirements of the Transparency Code 2015 the Council were met as the website should display:

- a. all items of expenditure above £500
- 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

We have also checked the website details and note that not all the policies are shown on the website to ensure sufficient transparency is maintained required by the Governance and Accountability for Smaller Authorities Practitioners Guide March 2020.

Recommendation: We recommend that:

- **The Parish Council Website should be brought up to date to add the following policies as a minimum:**
 - **Financial Regulations**
 - **an Investment policy**
 - **a Data Protection policy**
 - **a Privacy policy**
 - **a policy for Business Continuity and/or Disaster Recovery Plans to ensure that the Parish Council can continue its business in the event of unexpected or tragic circumstances**

Parish Council Minutes

- Minutes of the Council were checked on the website for approvals and decisions made and approval of payments was checked for period January 2020 to March 2020.

Risk Assessment 2019/2020

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

Asset Register

- The Asset Register at 31 March 2020 was reviewed and additions and disposals for 2019/20 were agreed.

End of Year Procedures 2018/2019

On the 15 September 2019, the External Auditor Report and Certificate raised the following issues. They stated the following:

“Except for Matters” as:

The smaller authority has disclosed that it made proper provision during the year 2018/19 for the exercise of public rights, by answering ‘Yes’ to Section 1, Assertion 4. ***However, as was reported last year, we are aware that it failed to do this and therefore should have answered ‘No’ to this assertion. It has also disclosed that it took appropriate action on all matters raised in reports from internal and external audit, by answering ‘Yes’ to Section 1, Assertion 7, which, on the basis of the above, is not correct.***

End of Year Procedures 2019/2020

- A full check was carried out on the End of Year documentation provided by the Clerk to confirm the accuracy of the details to be submitted to the External Auditor. This also included the validation of any variances of totals over 15% between 2018/19 and 2019/20 shown on Section 2 of the AGAR as required by the External Auditor.

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.

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

July 10, 2020

Page 4

- 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”

All the internal control statements shown in the Internal Audit Report on the AGAR have been completed to show our opinion that there is an adequate control framework in place for the Parish Council except for:

- Objective L as although the dates were published by the Parish Council for 2019 these cannot be verified to the Council website and;
- Where recommendations have been made in this report.

Although we have completed Objective L on the Internal Audit Report (AGAR) showing this as “No” for 2019/2020. ***As this was the second year of notification by the External Auditor for Assertion 4 the Council will also need to answer “No” to Assertion 4 and 7 on the Governance Statement of the AGAR 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.

- The Annual Internal Audit Report to be submitted to the External Auditor was completed and signed by Tim Light.

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

Yours sincerely,
Tim Light FMAAT
Internal Auditor.