

.....

LIGHTATOUCH

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

21 April 2021

The Responsible Finance Officer

Watchfield Parish Council

8 Sand View

Faringdon

Oxon

SN7 7UT

Dear Tina

Internal Audit Report Letter for Council 2020/2021

April 2020 –March 2021

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 2020-21 Annual Governance and Accountability Return (AGAR).

We have complied with the legal requirements and proper practices set out in:

- ‘Accountability and Governance for Local Councils – A Practitioners’ Guide (England)’ 2020
- The Accounts and Audit (England) Regulations 2015 (as amended).

The Covid 19 pandemic continues to delay a visit taking place in 2020/2021, but consultations have continued by telephone conference calls with the Responsible Finance Officer (RFO). The RFO has also provided back-up information for the period April 2020 to March 2021 to support the current governance and financial management position of the Council.

.....

April 22, 2021

Page 2

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

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

A full check was also carried out on completion of the Accountability and Governance Annual Return (AGAR) for 2020/2021.

The RFO confirmed that wet signatures will be obtained from Chairman to sign the Minutes of meetings to confirm the accuracy and provide the evidence of the approval of decisions when Council are able to meet face to face.

As part of this internal audit review, we checked that:

Bank Reconciliations

- bank reconciliations for the bank account have been carried out between 1 April 2020 – 31 March 2021, and totals agreed to those shown in the Cash Book.

Income and Expenditure

- test checks of the Cash Book totals for April 2020 – March 2021 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

- VAT reimbursement claims have been submitted for the period April 2020 to March 2021. An amount of £479.27 has recently been submitted in April 2021 to cover the period January 2021 to March 2021.

Payroll Information

- Deductions from Payroll information during the 2020/2021 financial year were checked to ensure that suitable arrangements are in place to deduct PAYE, National Insurance Contributions from gross salary for staff during the financial year.
- It is noted that the payroll processing is outsourced to a Payroll Provider and quarterly payments are usually made to HMRC for payment of PAYE and National Insurance Contributions.
(Audit Note: it was noted that due to an overpayment to HMRC in June 2020 no further PAYE and NI Contributions payments were made to HMRC in quarters 2 and 3 but a balance payment of £184.60 to complete outstanding sums 2020/2021 was paid in March 2021).

Asset Register

- we confirmed with the Parish Clerk that she has reviewed the Asset Register, and this is up to date as at 31 March 2021.

Risk Assessment 2020/2021

- the risks of the Parish Council were reviewed in January 2021 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 AXA/Inspire Insurance and is sufficient for the Parish Council in 2020/2021.

Website Accessibility Regulation 2018

- the Website Accessibility Statement should be uploaded and displayed on the Council Website to comply with the requirements of the Website Accessibility Regulation 2018 that was introduced on the 23 September 2020.

(Audit Note: The Parish Clerk should ensure that action is taken so the Website Accessibility Statement is displayed on the Council Website as soon as possible).

Parish Council Minutes

- we checked the details of Parish Council Minutes on the Council Website from April 2020 to March 2021 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.

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 2019/20 and 2020/21 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 2020/2021.

All the internal control statements shown in the Internal Audit Report of the AGAR have been completed to show that there is an appropriate control framework in place for the Parish Council.

Audit Opinion

The various records and procedures now in place for the Parish Council provide an appropriate standard of control.

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

cc The Parish Clerk