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## Document Details:

<b>Filename:</b>	AMB001-Parish Council - Internal Audit Letter-MARK-20190421-080904-075[496309].PDF
<b>Client of:</b>	Mulberry & Co

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## Signature Details

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<b>Date &amp; Time:</b>	17/05/2019 10:37:03 (BST)
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<b>Signing Statement:</b>	Amberley Parish Council agrees and approves the contents of this document.

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Our Ref: MARK/AMB001

Mrs V Spiers  
Amberley Parish Council  
20 Pines Avenue  
Worthing  
West Sussex  
BN14 9JQ

14<sup>th</sup> May 2019

Dear Vicky

**Re: Amberley Parish Council  
Internal Audit Year Ended 31<sup>st</sup> March 2019**

Following completion of our internal audit on the 14<sup>th</sup> May 2019 we enclose our report for your kind attention and presentation to the council. The audit was conducted in accordance with current practices and guidelines and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date. **Where appropriate recommendations for future action are shown in bold text.**

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. The internal audit reports should therefore be made available to all members to support and inform them when they considering the authority's approval of the annual governance statement.

### **Audit – Summary Findings**

At the visit we reviewed and performed tests on the following areas:

- Review of the Financial Regulations and Standing Orders
- Review of the risk assessments
- Review of the budgeting process
- Proper bookkeeping – review of the use of the accounts package.
- Review of annual accounts and AGAR
- Review of bank reconciliation
- Review of income
- Review of salaries
- Review of fixed assets and investments register

It is our opinion that the systems and internal procedures at Amberley Parish Council are very well established, regulated and followed. The Clerk is very experienced and ensures the council follows best practice regulations and has over time adapted and changed the internal procedures as regulations and technologies have changed to maintain compliance.

It is clear the council takes policies and procedures very seriously and I am pleased to report that overall the systems and procedures you have in place are entirely fit for purpose. I would like to thank the Clerk for her hard work during the year and am pleased to say her high standard of work continues.

I am of the opinion that the AGAR is a true and fair reflection of the financial transactions of the council for the year ended 31<sup>st</sup> March 2019. Accordingly, I have signed off the internal audit report.

#### **A. BOOKS OF ACCOUNT**

The council continues to use Excel for recording the day to day transactions of that of the council. On average there are approximately a dozen transactions per month and the spreadsheets are populated on a regular basis. The Clerk produces a hard copy reports that are taken to council on a regular basis for approval.

There have been no reported issues in the past and for recording receipts and payments this is entirely fit for purpose and I see no reason to make any recommendation to change. The Clerk is aware of the impending Making Tax Digital (MTD) changes and how this may impact on the accounting package in the future.

#### **B. FINANCIAL REGULATIONS AND PAYMENTS**

*Confirm that the Parish Council has adopted and recently reviewed Financial Regulations.*

The council has adopted the NALC model Financial Regulations, which were reviewed and updated in July 2018. This is in accordance with regulations.

*Check that the council's Financial Regulations are being routinely followed by tracking some sample payments*

I have selected two payments made during the year, one to a regular contractor and a one-off payment. A review of the invoices showed that both payments were authorised in accordance with Financial Regulations, recorded on a payment list which was duly signed and recorded in the minutes. There were no errors or missing documents.

The BACS payments are set up and authorised by the Clerk on the on-line banking system, with authorisation obtained prior to the payment being made. A compensating control for the Clerk having single access rights to the bank is that all transactions are presented to and reviewed by council at every meeting.

The payments are listed in the minutes and as such are posted to the council website every two months following council meetings. This is in accordance with the Local Government Transparency Code requirements and ensures all payments are made available to the wider public. Where applicable personal information would be redacted.

*Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit of £7.86 per elector.*

The council has S.137 expenditure amounting to £2,280.73 for 2018/19 which is within limits.

*Confirm that checks of the accounts are made by a councillor.*

For each meeting the council receive and minute a list of receipts and payments, together with bank balances. Bank reconciliations are signed off every two months, along with the original bank statement. Further internal reviews would be of no benefit as all transactions are reviewed at this stage.

*Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months*

The council has reviewed and adopted NALC model Standing Orders, with the most recent review taking place in September 2018. This is in accordance with regulations.

*Check the draft minutes of the last meeting(s) are on the council's website*

The council routinely posts up its minutes to its web site within 30 days of the meeting, should changes be required as notified at later meetings the minutes are updated.

*Check that agendas for meetings are published giving 3 clear days' notice.*

It was noted at the previous audit that the publication date of agendas was not printed on the version uploaded to the website. Reviewing the website found evidence that this was now happening in some instances, but not on every occasion. Where a dated version is on the website, it is evident the three days' notice is being given. **I would recommend ensuring the version uploaded to the website includes the publication date and signature of the Clerk for every meeting.**

*Confirm that the Parish Council is compliant with the Data Protection Act 1998 and that plans are being put in place to comply with GDPR 2018.*

The council is aware of the change in regulations and has undergone training. A new fully DDA accessible website was launched in April 2019 and is in the process of being updated with all relevant policies and privacy notices. These will be reviewed at the next audit.

*Check the publication of councillor's contact details etc.*

The website has councillor contact details and registers of members' interests forms uploaded to it.

I am of the opinion that overall the council has robust policies and procedures in place and follows these.

### **C. RISK MANAGEMENT AND INSURANCE**

The council has a detailed risk assessment document which was reviewed in June 2018. The document is a simple list and covers not only trips and hazards, but also financial and management risks. This document is entirely fit for purpose and I make no recommendation to change.

All council data is backed up to one-drive (cloud).

I have confirmed that the council has a valid insurance certificate. The council reviews its insurance requirements as part of the renewal process. Asset and money cover appears adequate.

### **D. BUDGET, PRECEPT AND RESERVES**

Reserves Carried Forward £12,795 (2018: £11,106)

The council does not have earmarked reserves. General guidance would indicate that a general reserve of circa 50% of the precept as adjusted for local conditions would be appropriate. The council currently holds £12,795 which equates to 67% of precept, which is not unreasonable for a council of this size.

I am of the opinion that reserves are not overstated.

### **E. INCOME**

Precept income £19,150 (2018: £18,827)

Other income £8,019 (2018: £2,038)

The precept income was tested to remittance advice notes and bank statements, these were properly received and banked. There are no errors to report.

Other income comprises grants rent and VAT refund. I have reviewed the cashbook and was able to agree receipts to remittances and bank statements. There were no errors.

The increase in other income is as a result of an Operation Watershed grant of £6,596 for flood alleviation projects. This receipt was verified against the remittance advice and February bank statement.

I am of the opinion that income is properly recorded.

## **F. PETTY CASH**

The council has no petty cash.

## **G. PAYROLL**

Staff Costs £11,227 (2018: £10,210)

The council has one employee. Payroll is calculated in house using the HMRC on-line system, with net wages and PAYE being approved by council in the normal method. There are no councillor or chairman's allowances paid. Tax is paid over to HMRC on time, with February's payment verified against the bank statement. The payroll is reconcilable to the AGAR.

The Clerk has a signed contract of employment. Payroll rates and hours are approved by council. The Clerk's SCP has successfully moved onto the new scales with effect from April 2019, and this was recorded in the minutes. The increase from the previous year is due to an uplift in salary and pension.

## **H. ASSETS AND INVESTMENTS**

The fixed asset register agreed to the AGAR, the register lists the assets at their cost or proxy cost. There have been minimal changes with new assets of a grit bin and litter bin correctly recorded.

I am of the opinion that fixed assets are correctly stated on the AGAR.

## **I. BANK RECONCILIATIONS**

At the year-end date the council had a reconciled bank position which will be approved and signed off at the May council meeting. I have reviewed the reconciliation for the one bank account, there were no outstanding payments and no cut off errors.

I am of the opinion that bank and cash balances are properly shown on the AGAR.

## **J. YEAR END ACCOUNTS**

The year-end accounts have been correctly prepared on the receipts and payments basis, with no requirement of a box 7 and 8 reconciliation.

The AGAR correctly casts and cross casts and the comparatives have been correctly copied over from the 2017/18 AGAR. The variance analysis has been completed in sufficient detail to understand the reasons for the year on year changes where required.

The council has made provision within its schedule of meetings to sign off the annual governance statement and accounts in time to display the notice of electors' rights.

I am of the opinion the AGAR is a true and fair reflection of the financial transactions of that of the council for the year ended 31<sup>st</sup> March 2019.

## **K. TRUSTESHIP**

The council has no trusts.

## **L: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS**

This new internal control objective is not active for 2018-19 financial year. However, I confirmed with the Clerk that arrangements are in place at this council to ensure proper exercise of public rights. Relevant dates are set out in the table below.

<b>Inspection - Key date</b>	<b>2017-18 Actual</b>	<b>2018-19 Proposed</b>
<b>Accounts approved at full council</b>	10 May 2018	16 May 2019
<b>Date Inspection Notice Issued and how published</b>	31 May 2018 on website and noticeboards	30 May 2019 on website and noticeboards
<b>Inspection period begins</b>	4 June 2018	3 June 2019
<b>Inspection period ends</b>	13 July 2018	12 July 2019
<b>Correct length</b>	Yes	Yes
<b>Common period included?</b>	Yes	Yes
<b>Summary of rights document on website?</b>	Yes - Attached to inspection announcement	Yes - Attached to inspection announcement

I am satisfied the requirements of this control objective were met for 2017-18, and assertion 4 on the annual governance statement can therefore be signed off by the council. Plans are also in place to allow for inspection periods to be published and set correctly for 2018-19 accounts – the council is planning to follow dates suggested by external audit.

Should you have any queries please do not hesitate to contact me, finally I enclose a fee note for your kind attention.

Kind regards  
Yours sincerely

*A Beams*  
**Andy Beams**