



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

**14 October, 2019**

St Mary Bourne Parish Council

Bourne Meadow,

St Mary Bourne,

Andover,

SP11 6BE

Dear Jo

**Interim Internal Audit Report**

**St Mary Bourne Parish Council – April to September 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, 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 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)' 2019
- The Accounts and Audit (England) Regulations 2015 (as amended).



### **Background**

St Mary Bourne Parish Council has income and expenditure of between £50,000 and £100,000 and is subject to review by the external auditor, PKF Littlejohn. The Council received one “except for matter” in 2018/2019. This required the Parish Council to answer “No” to assertion 5 on the 2018/2019 Section 1 of the Accountability and Governance Annual Return (AGAR) to meet the relevant legislation and regulatory requirements in accordance with proper practices.

The Council is not a sole managing trustee.

It is good practice for the Council to comply with the Local Government Transparency Code 2015.

The Council’s accounting records are maintained on RBS Alpha Software.

### **Internal audit checks**

We have undertaken a series of audit tests on the Council’s financial records, vouchers, documents, Minutes, policies, procedures and insurance documentation to ascertain the efficiency and effectiveness of the Parish Council’s internal control framework. This internal audit report is based on the audit testing carried out at the visit.

During this visit we checked the following:

- Minutes of Council Meetings
- Policies and procedures
- Bank, income and cash
- Petty cash
- Investments
- Income and expenditure
- Payroll
- Insurance
- Budgets and reserves

### **Findings**

Details of good practice noted, our recommendations and other matters to be brought to the Council’s attention are set out below.

### **Good practice**

- The Council maintains its books and records on RBS Alpha software
- The Clerk is aware of the requirements of GDPR and the Council is registered with the ICO
- Details of total payments authorised at meetings are recorded in the Minutes
- All records were up to date and easy to follow
- The budgeting process is detailed, there is thorough monitoring throughout the year
- Bank reconciliations are carried out promptly each month and were accurate
- The Finance Committee takes an active scrutiny role
- VAT claims are made regularly
- Insurance Cover is suitable for the size of the Parish Council



October 14, 2019

Page 3

- Financial Risk Assessment
- Payroll
- Transparency of the Council website

#### **Recommendations**

- Formal contact should be made with Basingstoke and Deane Borough Council to inform them that the Parish Council are unable to access their Portal to obtain information on defects from inspections that have been carried out on behalf of the Parish Council. By not having this access it may put the Council at risk from compensation claims if defects are not remedied as soon as they are found.
- A Fees Policy should be produced that clearly sets out if fees are to be charged to groups for using the Parish Council facilities, including the hire of Sports Pitches. This should also specify that fees and charges should be reviewed at least once a year.
- Minutes of the Planning Committee and Finance Committee should be signed on each page to confirm the accuracy of decisions and approvals taken by the Committees.

#### **Other matters to be brought to the Council's attention**

- The VAT reimbursement claim for the period April – September 2019 is outstanding, and the Parish Clerk is due to submit this to HMRC during October 2019.
- The introduction of policies for a Reserves and Investment Strategy is currently work in progress for the Parish Clerk.

#### **Conclusion**

Based on the tests we have carried out at this interim internal audit visit, in our view, the internal control procedures in operation are, adequate to meet the needs of St Mary Bourne Parish Council.

#### **Next visit**

The next internal audit visit has been arranged for 2 April 2020.

At this visit detailed checks will be carried out on:

- Minutes of Council Meetings
- Bank and cash
- Investments
- Income and expenditure
- VAT claims
- Asset Register
- End of Year Procedures

#### **Next Steps**

This report should be noted and taken to the next meeting of the Parish Council. They should decide what action will be taken on the recommendations we have made.

Tim Light FMAAT  
Internal auditor