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LIGHTATOUCH

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1 May 2019

**The Responsible Finance Officer
East Meon Parish Council
The Barn,
P O Box 278,
PETERSFIELD,
Hampshire GU32 9FX**

Dear Sarah

**Internal Audit Letter Report for East Meon 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).

This is the only visit 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. This visit took place on 25 April 2019.

An Internal Audit testing strategy is set out in the current Governance and Accountability for Smaller Authorities in England appendix 3. 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
As part of the Internal Audit Review during the 2018/2019 financial year we checked that:

Bank Reconciliations

- the financial totals as at 31 March 2018 were brought forward correctly and accurately shown in the Cash Book.
- all un-presented cheques and un-banked income as at 31 March 2018 were checked to bank statements to verify these were banked in April 2018.
- all cheques, direct debits, standing orders, BACS and transfers were checked and accounted for in the period 1 April 2018 to 31 March 2019.
- all bank paying in slips were banked and agreed to bank statements in the period 1 April 2018 to 31 March 2019.
- bank reconciliations for all bank accounts had been carried out between 1 April 2018 to 31 March 2019 and totals agreed to those shown in the Cash Book.

Income and Expenditure

- all un-presented cheques and un-banked income information was checked as at 31 March 2019 to ensure that the details are accurately recorded in the Parish Council records.
- all Remittance Advices were checked and agreed to the Cash Book and bank statements for the period 1 April 2018 – 31 March 2019.

VAT

- it was noted that VAT reimbursement claim totals for the period 1 April 2017 – 31 March 2018 was £3,970.08 and this was received in June 2018. The Responsible Finance Officer is in the process of preparing a VAT reimbursement claim for submission to HMRC covering the period 1 April 2018 to 31 March 2019.
- a test check was carried out on the VAT elements from payment vouchers to the reimbursement claim form for those invoices processed in April 2018 – March 2019.

Invoice Payments

- a test check of the Invoice payment files was carried out (April 2018 – March 2019) to ensure that the totals were correctly paid and were authorised to match the details in the Cash Book.

Insurance

- the Insurance Cover for the Parish Council is brokered through Came and Co and held with AXA/ Inspire Policy Number 2RGBDX6962034. The current level of cover includes Employer Liability of £10m and Fidelity Guarantee of £150,000 which is sufficient for the Parish Council in 2018/2019.

Risk Assessment 2018/2019

- we note that the Parish Clerk has reviewed the risks of the Parish Council and was presented to their Parish Council meeting on the 14 May 2018. This will ensure that the requirements of the Governance and Accountability for Smaller Authorities in England (March 2018) is met.

General Data Protection Regulation (GDPR) May 2018 and Freedom of Information

The Council follow the best practice requirements in full of the Transparency Code Regulation 2015 which includes the following:

- 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

Minutes of the Parish Council

- The Minutes of the Parish Council were checked to ensure all decisions and approvals for the period April 2018 – March 2019 were recorded that affect the financial management of the Parish Council.
- we noted that the Minutes of the Parish Council are signed by the Chairman but each page on the Minutes is not initialled to indicate that they are a true record of the decisions made by the Parish Council.

Audit Note: Each page of the Parish Council Minutes should be signed by the Chairman to provide assurance that these are a true record of approvals and decisions taken by the Parish Council.

End of Year Procedures

- A full check was carried out on the End of Year documentation provided by the Responsible Finance Officer 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 2017/18 and 2018/19 shown on Section 2 of the Accountability and Governance Annual Return as required by the External Auditor.
- The Annual Internal Audit Report to be submitted to the External Auditor was completed and signed by Tim Light.

Audit Opinion

It is our opinion that the various records and procedures in place for the Council provide a good 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 Letter Report should be minuted by the Parish Council.

Yours sincerely,

Tim Light FMAAT
Internal Auditor