

Bridget.C.Bowen FCA
86 High Street
Weston
Bath BA1 4DD

Tel: 07465 416597

Email: bridget.c.bowen@outlook.com

Georgina Morgan-Denn
Clerk to Haydon Wick Parish Council
Thames Avenue
Haydon Wick
Swindon
SN25 1QQ

29 January 2021

Dear Georgina

HAYDON WICK PARISH COUNCIL

Interim internal audit report - Year ended 31 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.

I am bound by the ethical guidelines of the Institute of Chartered Accountants of England and Wales. I confirm that I am independent of the Council.

The internal audit work I have carried out has been planned to enable me to give my opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2020-21 Annual Governance and Accounts Return.

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

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

I was appointed as internal auditor to the Parish Council on 23 June 2020.

Our first interim internal audit review was undertaken remotely on 29 January 2021.

Background

Haydon Wick Parish Council has income and expenditure of between £800,000 and 1,000,000 and is subject to review by the external auditor, PKF Littlejohn. The Council's

annual report from the external auditor for 2020-21 raised other matters in relation to the Council's responsibilities as sole managing trustee.

The Council is a sole managing trustee of the King George V Playing Field.

As the Council's income and expenditure exceeds £200,000 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 Omega software.

Internal audit checks

I 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 I checked the following:

- Minutes of Council Meetings
- Policies and procedures
- Bank and cash
- Investments
- Income and expenditure
- VAT claims
- Payroll
- Insurance
- Budgets and reserves
- Sole managing trustee
- Action taken on the recommendations in prior report

Findings

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

Good practice

- The Clerk is CiLCA qualified and has an advanced level foundation degree in Community Governance
- The Deputy RFO and Deputy Clerk are both CiLCA qualified.
- The Council maintains its books and records on RBS software
- All records were up to date and easy to follow
- The Council's Standing Orders and Financial Regulations are reviewed regularly and are tailored appropriately for the Council
- The Council has appropriate policies in place
- The Clerk is aware of the requirements of GDPR and the Council is registered with the ICO
- Bank reconciliations are prepared accurately and regularly
- Bank reconciliations are carried out promptly each month, and are checked by a councillor
- Details of all payments authorised at meetings are recorded in the minutes

Good practice continued

- All payment vouchers tested were evidenced as approved
- The payroll is operated by an independent external payroll provider
- All eligible employees have either been auto-enrolled in a pension scheme or have opted out in writing
- All employees have contracts of employment
- The budgeting process is detailed and thorough and monitored throughout the year
- VAT claims are made regularly
- Councillors undertake regular spot checks throughout the year
- The risk assessment has been adopted during the year
- Action has been taken, or is underway on all of the recommendations in the last internal audit report
- The Council has taken appropriate action to enable it to continue to meet and function during the Covid-19 pandemic

Recommendations

Investments

- The council holds large sums of money in current bank accounts or savings accounts with a very low interest rate. The Council may wish to consider investing more with the Public Sector Deposit Fund, either on a short term or longer term basis.

Risk assessment

- The Full Council should review, update and adopt the risk assessment before 31 March 2021

Other matters to be brought to the Council's attention

- I would like to thank Sandra Kelly for her assistance in providing all the information we needed in a very organised manner, which enabled us to complete our internal audit remotely.

Conclusion

Based on the tests I have carried out at this interim internal audit visit, in my view, the internal control procedures in operation are, in all significant respects, adequate to meet the needs of Haydon Wick Parish Council.

Next visit

The next internal audit visit has been arranged for 4 June 2021.

At this visit detailed checks will be carried out on:

- Minutes of Council Meetings
- Bank and cash
- Petty Cash
- Income and expenditure
- Risk assessment
- Asset register
- Transparency Code
- Action taken on the recommendations in this report

- Year end checks

Next Steps

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

Kind regards

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Bridget Bowen', written in a cursive style.

Bridget Bowen FCA

Internal auditor