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Georgina Morgan-Denn
Clerk to Haydon Wick Parish Council
Thames Avenue
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18 February 2022

Dear Georgina

HAYDON WICK PARISH COUNCIL

Internal audit report - Year ended 31 March 2022

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 2021-22 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)' 2021
- The Accounts and Audit (England) Regulations 2015 (as amended).

I was appointed as internal auditor to the Parish Council on 19 October 2021.

Our first interim internal audit review was undertaken on 28 January 2022, I was assisted by Tim Light FMAAT.

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 had a clean annual report from the external auditor for 2021-22.

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
- Petty cash
- Investments
- Income
- Expenditure
- VAT claims
- Insurance
- Budgets and reserves
- Sole managing trustee
- Transparency
- Public Rights
- 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
- 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

Good practice continued

- Bank reconciliations are carried out promptly each month, and are periodically checked by a councillor
- Details of all payments authorised at meetings are recorded in the minutes
- 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
- The Finance Committee takes an active scrutiny role
- Adequate insurance is in place
- Action has been taken on all of the recommendations in the last internal audit report
- The Council complies with the Local Government Transparency Code (2015)
- The Council has taken appropriate action to enable it to continue to meet and function during the Covid-19 pandemic

Recommendations

Minutes of meetings

- The minutes of the Finance Committee meetings in May and August 2021 should be initialled and signed as evidence of their approval

Bank and cash

- Bank reconciliations should be signed and dated by the Clerk or finance officer.

Risk assessment and insurance

- The Council should review, update and adopt the risk assessment before 31 March 2022
- The Council should consider increasing its fidelity guarantee insurance to cover the year end balance plus half the annual precept

Transparency

- Some of the links on the Council website, to the land and building assets and grants paid, are not working, these should be fixed in order for the Council to comply with the Local Transparency Code (2015)

Other matters to be brought to the Council's attention

- The petty cash vouchers for the period April to July 2021 could not be located during the internal audit visit, they have been mislaid during the office move. However, it should be noted that we have no concerns that the petty cash system has not been operating correctly.

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 adequate to meet the needs of Haydon Wick Parish Council.

Next visit

The next internal audit visit has been arranged for 10 June 2022.

At this visit detailed checks will be carried out on:

- Minutes of Council Meetings
- Bank and cash
- Investments
- Income
- Expenditure
- Risk assessment
- Asset register
- Budgets and reserves
- Detailed checks on payroll
- Sole managing trustee
- Action taken on the recommendations in prior 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



Bridget Bowen FCA

Internal auditor