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LIGHTATOUCH

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22 April 2022

The Parish Clerk

Nether Wallop Parish Council

Kingman's Cottage

Heathman Street,

Nether Wallop

SO20 8EW

Dear Gail

**Final Internal Audit Review:
Nether Wallop – covering November 2021 to March 2022 and Year End procedures**

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 2020-21 Annual Governance and Accountability Return (AGAR).

We 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).

This is the final audit in 2021/2022 to check that the Council adheres to the requirements set out in the Accountability and Governance for Smaller Authorities in England ensuring that compliance with proper practices is maintained.

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The Clerk has also provided back-up information for the period November 2021 to March 2022 to support the current governance and financial management position of the Council. Further confirmation has been obtained of good practice and compliance with the Transparency Code Regulation 2015 from the Council's website.

As we have carried out an Interim Internal Audit Review in 2021/2022 and have used information already recorded from this review to complete the internal control objectives on the (AGAR) Internal Audit Report.

Where this is necessary, we will complete the AGAR Annual Internal Audit Report on evidence already seen from the previous review. This is acceptable practice for the External Auditor.

We discussed with the Parish Clerk the collection of income processes for the hire of sports facilities, marquee rental, and hall hire. Upon our recommendation, the Parish Clerk has drawn up a more robust procedure that will allow her to see the booking of facilities as real time with access to the dairy of bookings. It will also ensure that the collection of income received and banked to the Parish Councils bank account is traced providing better control to secure income to be collected from hirers. ***(Audit Note: We recommend that the Parish Council should accept and adopt the process drawn up by the Parish Clerk and introduce this for the financial year 2022/2023.)***

We have also noted that, various volunteer groups support and help the Parish Council with their work in the Community, and it is much valued by the Council. Care must be taken with the organisation and administration of these voluntary groups in the support provided. Consideration should always be given that no part of the relationship fails to follow the requirements of legislation and may lead to the Council having to tick "No" on the Governance Statement to assertion 3 on the Annual Governance and Accountability Return 2022/2023.

We recommend that:

- any volunteer groups are described as Working Groups rather than committees.
- Working Groups should not handle funds on behalf of the council.
- Invoicing should be handled by the Clerk (or paid contractor) and subject to audit.
- Working Groups can be used for research and information gathering purposes, but no decisions can be taken. Recommendations are made to the Full Council for decision in open meetings.
- If services are offered to the community, there should be clear and publicised terms of use, complying with the Equalities Act and real time availability of services should be visible to the public.

As part of this final Internal Audit Review, we checked:

Bank Reconciliations

- the Bank Reconciliation at 31 March 2022 was re-performed and no errors were noted.

Income and Expenditure including VAT reimbursements

- all income and expenditure items as at 31 March 2022 were confirmed and details are accurate to the records held by Council.

Payroll Information

- Deductions from Payroll information for the period November 2021 to February 2022 was checked to ensure that suitable arrangements are in place to deduct PAYE, National Insurance Contributions and Pension Contributions from gross salary of the Clerk during the financial year.

It is noted that a monthly payment is made to HMRC for payment of PAYE and National Insurance Contributions.

Insurance

- the Insurance Cover for the Parish Council is with AXA/Inspire Insurance and is sufficient for the Parish Council in 2021/2022.

Parish Council Minutes

- Minutes of the Council were checked on the website for approvals and decisions made and approval of payments was checked for October 2020 to March 2022.

Risk Assessment 2021/2022

- the risks of the Parish Council were reviewed in February 2022 to ensure that the requirements of the Governance and Accountability for Smaller Authorities in England (March 2021) is met.

Asset Register

- The Asset Register at 31 March 2022 was reviewed and additions for 2021/22 were agreed. ***(Audit Note: It is noted that there are an unknown quantity of tables and chairs for use with marquees. This should be clarified).***

End of Year Procedures 2021/2022

A full check was carried out on the End of Year documentation provided by the Clerk 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 2020/21 and 2021/2022 shown on Section 2 of the AGAR as required by the External Auditor.

The 2021/2022 AGAR Internal Audit Report requires the Internal Auditor to check the Council has correctly provided the proper opportunity for the Exercise of Public Rights in accordance with the requirements of the Accounts and Audit Regulations during 2021/2022.

This includes the Internal Auditor being shown evidence that the posting of the Notice on the website was done at least one clear day before the 30-working day period begins.

(Audit Note; We are pleased to report that the Parish Council have displayed the Notice correctly to comply with the requirements of the Accounts and Audit Regulations 2015).

The Annual Internal Audit Report to be submitted to the External Auditor was completed and signed by Tim Light.

April 26, 2022
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This report should be noted and taken to the next meeting of the Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Letter Report should also be Minuted by the Council.

Yours sincerely,

Tim Light FMAAT - Internal Auditor