



JOHN K. MURRAY

TAXATION and ACCOUNTANCY SERVICES

13 SHELLEY CLOSE
WINCHESTER, HANTS
SO22 5AS

Telephone 01962 868031
Fax 01962 620355
Mobile 07850 863612
john.murray233@ntlworld.com

26 May 2016

Dear Amy

Stockbridge Parish Council -
Accounts for the year ended 31 March 2016 "Internal Audit"

I have now completed the "Internal Audit" of your Parish Council Accounts for the year ended 31 March 2016. I have carried out the Internal Audit following the guidelines as documented in the NALC/SLCC Book "Governance and Accountability in Local Councils in England and Wales - A Practitioners' Guide". In particular the Internal Audit has been carried out using "an approach to internal audit testing" contained in Appendix 9 of the 2014 Guide. I have also taken into account the draft 2015 Guide (now formally issued), the guidance given to me in the publication "Public Sector Audit Standards" and Section 5 (1) of Statutory Instrument 2015 No.234

The following points arose during the Audit:-

1. Asset Register: We discussed the makeup and contents. Community Assets are valued at £1. His includes land and such items as War Memorials where the ownership is suspect but the Memorial is insured by the Council.
2. Risk Assessments. I understand that you have a Financial Risk Assessment in place and that the Assessment for the Play Area will be rewritten once the new equipment is installed. You do not appear to have one for the Burial Ground – if so this needs to be rectified.
3. Burial Records. I was unable to inspect the Burial Records due to logistical problems. I will need to see all the records next year to include the schedule of charges (when were they last reviewed?), memorial applications, burials (green forms etc, the income during 2015/16 was £850 – a not inconsiderable amount. Who has the authority to approve burials and memorials – it is usually the Clerk?

I have noted that the Audit Commission Pro-forma (with details of the Variations and Bank Reconciliation you will be sending off with this) have been adopted by the Parish Council and signed by the Chairman and the Clerk. Will you please provide me with a copy of the Pro-forma - Schedules 1, 2 and 4 before they are sent off and Schedule 3 when returned signed by the Audit Commission. You are aware that the Annual Return has altered this year – Schedule 1 must be confirmed before Schedule 2 otherwise there could be a qualified audit from BDO

Will you also provide me with copies of the Bank Reconciliation, the Explanation of Variances and also a copy of your full set of Accounts? Please ensure that the adoption of the Accounts and the Audit Commission Pro-forma are minuted at the appropriate times - in particular Section 1 and Section 2 of the Pro-forma need to be specifically mentioned within the Minutes and this approval must be by **Full Council** and not by Committee. The receipt of this letter and any action taken on it should also be recorded within the Minutes. Please ensure (and I am sure you will) that the Form is fully completed (including filling in the boxes for the name of the Parish Council) otherwise it may be returned by the External Auditors.

If the Council wishes to discuss any of these points - or any other matter - now or in the future I would be more than happy so to do. Obviously, if the query can be cleared quickly by a 'phone call, then there would be no further charge. If, however, the matter requires some research on my part and/or would take time to resolve then I would have to charge and I would agree this with you beforehand so that there was no misunderstanding.

I enclose my Invoice for the work done so far.

Yours sincerely,

John K. Murray

Mrs. A. Taylor,
Clerk to Stockbridge Parish Council
17 Burdock Close
Goodworth Clatford
Andover, Hants
SP11 7RS