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Mrs J Noles
Clerk to Charlton Kings Parish Council
26, Church Street
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9 June 2020

Dear Joanne

CHARLTON KINGS PARISH COUNCIL

Internal audit report - Year ended 31 March 2020

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 2019-20 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)' 2019
- The Accounts and Audit (England) Regulations 2015 (as amended).

I was appointed as internal auditor to the Parish Council on 30 September 2019.

My final internal audit visit was on 9 June 2020.

Background

The Clerk commenced employment with the Council on 1 July 2019. She is CiLCA qualified.

Charlton Kings Parish Council has income and expenditure of between £100,000 and £200,000 and is subject to review by the external auditor, PKF Littlejohn. The Council had a clean annual report from the external auditor for 2018-19.

The Council is not a sole managing trustee.

The Council is not required to comply with either Transparency Code as it's income and expenditure falls between the thresholds for which either of the Transparency Codes apply.

It is good practice for the Council to comply with the Local Government Transparency Code 2015.

The Council's accounting records are maintained on Scribe accounting software. Payroll is outsourced to PATA.

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
- Bank and cash
- Income
- VAT
- Transparency Code
- Action taken on the recommendations in prior report
- Year end checks

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 Scribe 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

- Councillors attend training by the local branch of the National Association of Local Councils
- Bank reconciliations are prepared accurately and regularly
- 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
- Councillors undertake regular spot checks throughout the year
- The risk assessment has been adopted during the year
- Action has been taken on all of the recommendations in the last internal audit report

Recommendations

- There are no recommendations

Other matters to be brought to the Council's attention

- The Annual Internal Audit Report was completed with positive responses to all relevant objectives.

Conclusion

Based on the tests I have carried out at this internal audit visit, in my view, the internal control procedures in operation are adequate to meet the needs of Charlton Kings Parish Council.

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