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Mrs J Noles  
Clerk to Charlton Kings Parish Council  
26, Church Street  
Charlton Kings  
Cheltenham  
GL53 8AR

12 January 2021

Dear Joanne

## **CHARLTON KINGS 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)' 2019
- The Accounts and Audit (England) Regulations 2015 (as amended).

I was appointed as internal auditor to the Parish Council for 2020-21 on 28 September 2020.

My first interim internal audit visit was on 12 January 2021.

## **Background**

The Clerk commenced employment with the Council on 1 July 2019. She obtained her CiLCA qualification in May 2020.

The council achieved the Local Council Award Scheme "Quality" Award in December 2020 and is currently working towards the "Gold" Award.

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 2020-21.

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
- Policies and procedures
- Bank and cash
- Expenditure
- Allotment income
- VAT
- Risk assessment and insurance
- Budgets and reserves

## **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 has achieved the Local Council Award Scheme Quality Award
- The Council maintains its books and records on Scribe software
- All records were up to date and easy to follow
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### **Good practice – continued**

- 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
- 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
- The Council has taken appropriate action to enable it to continue to meet and function during the Covid-19 pandemic

### **Recommendations**

- There are no recommendations.

### **Other matters to be brought to the Council's attention**

- The records are very well kept and easy to follow.

### **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 Charlton Kings Parish Council.

## Next visit

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

At this visit detailed checks will be carried out on:

- Minutes of Council Meetings
- Bank and cash
- Income from Stanton Hall
- Allotment income follow up
- Asset register
- Payroll
- 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