

UPCHURCH PARISH COUNCIL

INTERNAL AUDIT REPORT 2018-19

I am pleased to report to Members of the Parish Council that I have completed my internal audit of the Parish Council's records for 2018-19 and have been able to complete the Annual Internal Audit Report for the 2018-19 Annual Governance and Accountability Return.

Members should be aware that the audit tests that I undertook during the audit cannot be relied on to identify the occasional omission or insignificant error, nor to disclose breaches of trust or statute, neglect or fraud which may have taken place and which it is the responsibility of the Members of the Council to guard against through the Parish Council's internal control procedures.

Members will be pleased to know that I did not find anything major in my financial audit to report and that I found the record keeping to be of a good standard and the Parish Council's approach to the management of risks to be sound. As a result of my audit and my discussions with your Clerk I was able to answer 'YES' to all the relevant questions contained in the Annual Internal Audit Report for 2017-18.

I would like to take this opportunity to thank your clerk for the assistance given to me in the conduct of the audit that took place on 22 May 2019.

PREVIOUS AUDITS:

External auditor 2017-18:

The external audit certificate for 2017-18 was qualified in respect of an issue with electors' rights and for failure to deal with the same item in the previous audit report. The report was considered by Council on 1 November 2018 but without indication of any action to deal with the auditor's concerns. As the auditor points out, the annual Governance Statement contains an assertion that the Council has taken appropriate action in respect of auditors' reports and failure to respond will trigger a "No" response to this assertion, which would need an explanation, which would likely trigger a report in the public interest at additional cost, which... In short the Council must respond to the comments made.

The electors' rights problem derives from the dates set for electors' rights per the Council's return being inconsistent with statute. Electors' rights of access to the accounts apply for a period of 30 consecutive working days which period must include the first 10 working days in July. This access period cannot begin until the day after the Council has approved the Accounts Statement (note that the Governance statement must be approved before the Accounts statement). If necessary, the Council's return setting out the dates of the electors' rights must be amended/restated so that it complies with the regulations.

The Council should also take note that for the 2019-20 accounting year, in effect from summer 2019, internal auditors are required to certify on the Annual Internal Audit Report that local councils comply with the rules on electors' rights. I have discussed this with the Clerk and we have agreed on the action required.

Internal auditor 2017-18:

I am pleased to note that the 2019-20 budget and precept have been agreed by full Council and meet the requirements of the Local Government Finance Act 1992.

FINDINGS THIS VISIT:

During the visit I carried out sufficient work to enable me to complete the Annual Internal Audit Report which included reading the minutes, checking the accounting records including the cashbook, payroll, VAT records, bank statements and bank reconciliations with the cashbook. I have also looked at the asset register.

There were no unexplained entries in the bank reconciliations.

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During my review of the accounts I noted that Swale BC had paid the second instalment of the 2018-19 precept short by £200 but the cashbook showed the expected sum. I have discussed this matter with the Clerk and the accounts will be amended accordingly and Swale BC asked to make up the missing amount.

While reviewing the minutes from the meeting on 3rd January 2019 I noted a reference to “confidential minutes”. The Council should note that NALC and other bodies advise against this practice. The advice is based on s228 Local Government Act 1972 which gives electors the right to inspect, make copies or notes of Council minutes. This right is still operative and unaffected by subsequent legislation. Its existence nullifies the purpose of a confidential minute.

Lionel Robbins
Independent Internal Auditor
31 May 2019