

Doddington Parish Council

Internal Audit Report for the year ended 31 March 2016

I am pleased to report to Members of the Doddington Parish Council (the "Council") that I have completed the year-end internal audit of the Council's records and final accounts for the 2015-16 financial year ended 31 March 2016. There are no significant matters to report and I have accordingly completed and signed off the Annual Return on 12 May 2016, the day of my visit.

Members should be aware that my work cannot be relied upon to identify the occasional omission or insignificant error, nor do I actively seek evidence of breaches of trust or statute, neglect or fraud, which may have taken place. It is the responsibility of the Members of the Council to guard against such events, but if during the course of my audit testing such events are discovered I am duty bound to disclose such events to the Council.

I would like to take this opportunity to thank the Parish Clerk, Mrs Wendy Licence for her assistance given to me during the audit itself.

Previous Audits:

External Audit 2014-15

The external auditors PKF Littlejohn signed off Section 3 of the Annual Return for the year ended 31 March 2015 on 27 July 2015. The Auditors commented on the fact that the Section 2, Governance Statement had been signed-off by the Clerk and the Chairman, but the "assertions" had not been filled in. The Clerk retrospectively confirmed that all assertions should have been answered with a "yes".

Internal Audit 2014-15

The only matters I brought to the Council's attention was the need to comply with the Transparency Code for Smaller Authorities, which came into effect from 1 April 2015 and the need to update the Standing Orders and Financial Regulations. These matter is followed up in the Findings section of this Report.

Internal Audit 2015-16:

Findings

The Clerk had all the required files and records available for my Audit and draft final accounts ready to audit. There are some observations and items I wish to bring to Councillors' attention, as detailed in the following paragraphs.

Members and the Website

Last year I commented on the need to comply with the Relevant Authorities (Disclosable Pecuniary Interests) Regulations (part of the Localism Act 2011 requirements) particularly as there had been an election in May 2015, albeit "uncontested". The Regulations require the Disclosable Pecuniary Interests

(DPI's) of Councillors, perhaps more commonly known as the Register of Interests, to be on the councils' website as well as on the Swale BC website. However, most parish councils have a link to the relevant webpage on the Swale BC website, which is deemed sufficient to comply with the Regulations. The Clerk has created the link to Swale BC, which has the details of the 7 Members.

The website, which is managed by the Clerk, has been expanded a lot in the last 12 months in part to meet the needs of the Transparency Code. The agendas and minutes are on the website, financial information is there and includes a list of the payments over £100 made during the financial year, one of the requirements of the Transparency Code. A copy of the Council's Asset Register should be on the website as well, particularly important with regard to land and buildings, the main requirement. The Governance Documents such as the Standing Orders and Financial Regulations are also on the website.

By the time Members get to see this Report the Annual Return for 31 March 2016, will have been approved by the Council. The Clerk will have reported on the change of emphasis when approving the Annual Return in that the Annual Governance Statement has to be approved prior to the Accounting Statements AND once approved and signed off a copy of the Annual Governance Statement and Accounting Statements (Section 1 & 2) has to be posted onto the Council's website as well as the Council Noticeboards alongside the Notification of the Public Rights of Inspection. This is part of the Governments push for greater accountability and transparency. It is becoming increasingly important for Council's to have a good website, which is up to date and easy to navigate. The Council's website is now a statutory requirement for this year's Annual Return 2015-16 as well as for the publication of Councillors register of interests (DPI's). The Annual Returns have to be available for "public access" for a period of 5 years from the date of publication (as per Accounts & Audit Regulations 2015). The easiest and probably the preferred means of public access is via your website.

Standing Orders & Financial Regulations:

The Standing Orders were reviewed in June 2015 and Financial Regulations were approved at the Council Meeting held on 14 March 2016, which included the updates on the Procurement Regulations particularly for contracts in excess of £25,000. As mentioned above both documents are on the Councils' website.

Risk Management/Insurance/Asset Register:

The Council's has a three-year Long Term Agreement (LTA) with Aviva expired on 31 May 2015. Four quotations were considered at the May 2015 Council meeting, the renewal quote from Aviva for another 3-year LTA was accepted (Min 15(iv) – 11 May 2015).

There are regular inspections of the playground/sports field and reports back to the Council supplemented by the Annual RoSPA Playground Inspection carried out by Craიდene Ltd (Ms Maris Cooke). Her report was discussed at the Council meeting on 13 July 2015 (Min 15(ii)), the main recommendation was additional signage around the play equipment regarding age limits and parish council contacts. The Risk Assessment schedules especially the level of risk was thoroughly reviewed by the Council at its meetings held on 8 June 2015 (Min 13 (iv)) and 13 July 2015 (Min 13(ii)). The Risk Assessments have been reviewed again on 11 April 2016 (Min 14(i)).

The Council's Asset Register has been updated with the addition of the new laptop reflected in the Annual Return submission for 31 March 2016.

Budgetary Control:

The Council considered the half-year accounts at the November 2015 meeting (Min 14(ii) – 9 Nov. 2015). The Budget and Precept requirement for 2016-17 were finalised in January 2016 with a resolution to increase the Precept by £200 to £7,800 for 2016-17 (Min 13(ii) – 11 January 2016).

Bookkeeping Payments and Income:

The receipts and payments are recorded on an Excel spreadsheet. Everything was up to date and arithmetically correct. I carried out sample audit checks on the receipts and payments and found everything in order. During the year a VAT claim in respect of 2014-15 for £260 was submitted and paid in April 2015. The equivalent claim for 2015-16 amounting to £470 has been submitted and will be included in the 2016-17 accounts.

Payroll:

The HMRC "Real-Time Information" (RTI) on-line submission of employee and pay details have been submitted satisfactorily during the year. Part of the checks on the payments mentioned above included the Clerk's salary payments. The "staging date" for the Council to consider a pension scheme for the Clerk is 1 July 2016.

Bank Accounts:

At the 31 March 2016 the Council had two bank accounts with Nat West, the current account carried a balance of £50 with all other monies swept up into the Business Reserve account, which had a balance of £8,493.

Other Matters:

Transparency Code for Smaller Authorities (the Code):

I have already made reference to the website content earlier in this report, which has been enhanced to comply with the Transparency Code, with more information to be uploaded. The Council was successful in its bid for funding towards the laptop and for the additional hours spent by the Clerk in keeping the website up to date etc. However, I did not notice any increase in the salary/hours of the Clerk to reflect this additional work, which has been supported by the Transparency Fund. The Clerk can submit further bids for on-going funding support in 2016-17 and in 2017-18 assuming there are funds available within the Transparency Fund. This would usually be for the time spent by the Clerk in maintaining the website to the required standard. There may be some form of "audit" by say inspecting the Doddington PC website to make sure the Council is complying with the Code and proof that additional hours are being worked and paid for.

David J Buckett CPFA DMS

10 August 2016