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11 May 2018

The Parish Clerk
Tichborne Parish Council
15 The Heath
Denmead
Waterlooville
PO7 6JT

Tichborne Parish Council Audit 2017/18

We have completed the annual Internal Audit for your Parish Council and completed the internal audit report on the Accountability and Governance Annual Return 2017/2018.

An annual update review of the Council's financial systems' internal controls is conducted as part of the Internal Audit testing, which is set out as an appendix in the Governance and Accountability for Smaller Authorities for England 2018. This covers a "suggested approach to internal audit testing" covering 10 aspects ranging from Proper bookkeeping right through to Year-end procedures.

Initial discussion with the Clerk/RFO established any system and procedure changes to the internal controls from the previous year. A series of independent audit tests were then undertaken using the various financial records, vouchers, documents, Minutes, insurance to ascertain the efficiency and effectiveness of these internal controls.

The Parish Clerk has confirmed that the Council will be submitting a Certificate of Exemption to the External Auditor for 2017/2018 as their income and expenditure falls below the threshold of £25,000 that requires the Parish Council to have an External Audit.

A separate piece of work was also undertaken as part of the internal audit for 2017/2018 to ensure that the Parish Council are adhering to the Transparency Code 2015 and the General Data Protection Requirements that come in to force on the 25 May 2018. The following findings were established as part of this additional piece of work. A copy of the Transparency Code 2015 was sent to the Parish Clerk on the 10 March 2018 and advice on the minimum requirements to meet GDPR

The requirements under the Transparency Code 2015 are that the Parish Council should publish the following on their website:

- a. all items of expenditure above £100
- b. end of year accounts
- c. annual governance statement
- d. internal audit report
- e. list of councillor or member responsibilities
- f. the details of public land and building assets
- g. Minutes, agendas and meeting papers of formal meetings

From looking at the website it appears that the Parish Council complies with requirements of the Code with the exception of:

- detailing items of expenditure
- details of public land and building assets.

Recommendation: We recommend that the Parish Council website is updated to show these details to comply with the Transparency Code 2015.

The GDPR requirements were set out by Society of Local Council Clerks (SLCC) bulletin dated 29 March 2018 with a checklist for Parish Councils to follow. A link to the checklist has been provided to the Parish Clerk.

As a minimum Parish Councils should ensure that before the 25 May 2018 they carry out:

- Data audit – this is the first step towards compliance for any organisation, in essence it is the compilation of a list of the data your council holds, where it came from and who it is shared with
- Privacy notices – you should review your current privacy notices and put a plan in place for making any necessary changes in time for GDPR implementation
- Policies – you should update your council's policies relating to data processing and protection so that they reflect the new requirements.

The SLCC bulletin dated 11 May 2018 also sets out the amendments to GDPR where Parish Councils are now exempt from the requirements to appoint a Data Protection Officer.

End of Year Procedures

Tichborne Parish Council will need to be sure that the Governance Statement for 2017/18 assertion 4 is correctly completed by answering "No" as the electors rights for 2016/17 was reported as outside of the timescale for inspection.

A further check was also carried out on completion of the Accountability and Governance Annual Return (AGAR) for 2017/2018 to ensure that the Parish Council will adhere to the Transparency Code Requirements 2015.

- A full check was carried out on the end of year documentation provided by the Parish Clerk to confirm the accuracy of the details. This also included the validation of any variances of totals between 2016/17 and 2017/18 shown on the AGAR in Section 2 as required by the External Auditor which is over 15%.

- We are satisfied that the information provided confirms the accuracy of the details to be shown in Section 2 of the AGAR and therefore have signed the internal audit report on the AGAR for 2017/2018.

- All of the internal control statements shown in the internal audit report of the AGAR have been completed to show our opinion that there are adequate internal control systems for the Parish Council.

Financial Assistance to the Church

- It is noted that the Parish Council have made a grant of £250.00 to St Andrew's Church during 2017/18 under section 137 of the Local Government Act 1972.

- The Parish Council should be aware of the briefing note sent out to Parish Councils on the 31 January 2018 from the National Association of Local Councils (NALC) LO1 18 which sets out the current issues on Parish Councils providing grants to Churches.
- The information in this briefing note indicates that Parish Councils do not have the legal powers to make grants to Churches but this is currently being tested in the Courts.
- The Parish Council should be mindful of further information from received from NALC and the SLCC to ensure that they are not in breach of their powers in the future. A copy of the Legal Notice has been given to the Parish Clerk for information.

Audit Opinion

We are pleased to report that the various procedures in place for the Council provide a good standard of control and that the Parish Clerk ensures that the Parish Council is kept up to date.

The Parish Council are required to adhere to the Accounts and Audit Regulations 2015 including the period for the exercise of public rights to be fully completed and along with the copy of the exemption certificate, publish the details on the Parish Council website before the 2 July 2018.

This letter report should be noted and taken to the next meeting of the Parish Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Report Letter should also be minuted by the Parish Council.

Yours sincerely,

Tim Light FMAAT
Internal Auditor