

Borough Green Parish Council

Interim Internal Audit Report for the year ended 31 March 2019

I am pleased to report to Members of the Borough Green Parish Council (the "Council"), that I have completed my interim internal audit of the Council's records for the six-month period to 30 September 2018, following my audit visit on 3 December 2017.

Councillors 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 Councillors of the Council to guard against such events, but if during 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 Clerk, Mrs Hazel Damiral for her assistance given to me during my audit visit.

Previous Audits:

External Audit 2017-18

The external auditor, PKF Littlejohn LLP, signed off Section 3 of the Annual Return for the year ended 31 March 2018 on 8 September 2018. There were no matters raised by the Auditor.

Year-end Internal Audit 2017-18

There were no issues raised at the year-end to follow up other than to monitor progress with the compliance with GDPR. The Report was considered by the Council on 5 November 2018 (Min 133).

Interim Internal Audit 2018-19:

Findings

This visit concentrated on the payment of invoices and payroll arrangements linked to the accounting arrangements. Other areas included the website, banking and insurance arrangements.

Following my visit there are some observations I wish to bring to Members' attention. There is a separate template based on my Audit Plan with notes of my findings.

Website:

Since my last visit the layout and access to the content is easier to follow and a lot of the "old" articles have been removed. The Chairman of the Council is the volunteer webmaster for the Council's website and uploads the statutory content and official content provided by the Clerk such as the DPI information and the Minutes etc. Can I just remind the Chairman to curb his enthusiasm on some of the more contentious issues like the comments on the Library consultations as this is the Parish Council website, which is not for personal views/comments.

Other than this observation the Chairman is doing a great job of providing Parish Council information and current news to the visitors to the website.

Budgetary Controls:

At the time of my visit the Finance Committee had just met to discuss the Budget Monitoring position and the first draft of the 2018-19 Budget. The finalised Budget and Precept Request for 2019-20 is to be decided at the January 2019 Council Meeting.

A recent announcement, by the Secretary of State advised that there will be no introduction of referendum principles for local councils (council tax capping) for 2019-20.

Banking Arrangements:

I have previously mentioned the fact that the Council's funds are now protected under the FSCS compensation scheme, which is currently up to £85,000 per cumulative investment per registered institution. The Council has all its funds with NatWest across three accounts and at the 30 September 2018 this totalled £221,000, hence more than £120,000 is NOT protected by the FSCS investment protection/compensation arrangements. I appreciate that the bank balances will dwindle during the next 6 months to April 2019, but I would urge the Council to consider moving some of its funds to another registered institution. **Post Audit Note:** The Clerk has been having discussions with CCLA about the transfer of £85,000 to one of their accounts. Further consideration could be given to a deposit with Nationwide who offer a reasonable return for a 6 month or 1-year investment (a Bond I believe).

With the pending elections in May the Clerk needs to be mindful of having enough "Councillor" signatories (at least 4-5) to the existing NatWest Accounts and the new accounts to be set-up.

GDPR

As Councillors will know the General Data Protection Regulation (GDPR) came into force on 25 May 2018 and in my previous Report listed some of the actions required for the Council to comply with the Regulation such as a General Privacy Policy and Data Protection Policy. The Clerk that this will be addressed in the coming months.

David J Buckett CPFA DMS

21 February 2019