

Vigo Parish Council

Year-end Internal Audit Report for the year ended 31 March 2016

I am pleased to report to Members of the Vigo 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. I have accordingly completed and signed off the Annual Return for the year.

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 Clerk, Mrs Joanne Glass for the assistance she gave me during the audit, the working papers and the original documents such as bank account statements and invoices were readily available for checking/inspection.

Previous Audits:

Interim Internal Audit 2015-16

The interim audit was carried out in January 2016, there were several areas to follow up during the year-end Audit. The most important items were the Disclosable Pecuniary Interests (DPI's) on the parish website and progress on banking arrangements.

Year-end Internal Audit 2015-16:

Findings

Apart from the DPI situation and back-up arrangements there are no significant issues to bring to Members' attention other than an update on matters detailed below.

Councillors DPI's and Council Websites:

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With regard to the Councillor DPI situation I can only repeat what I have set out in previous Reports, that the Council has a statutory duty to make available the Councillor DPI information on its website. Below is the message on the Council's website.

Declarations of Pecuniary Interest forms were completed by all Councillors following their elections in May last year. They were then sent to Gravesham Borough Council for them to be checked and signed by the Monitoring Officer.

We are still waiting for them to be returned from Gravesham

The website holds limited information about the Council. There is a template “agenda” under the Agenda tab, but no actual agendas to view, therefore residents have no real idea of the items to be discussed at the next meeting, especially the numerous planning items.

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 unaudited 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.

At the time of finalising this Report, the copies of the unaudited Annual Return Sections for 2015-16 were not on the Council’s website, the DPI information was also not on the website, both items are now a statutory requirement for all parish councils. This must be rectified at the earliest opportunity.

Standing Orders and Financial Regulations:

The Clerk advised me that revised Standing Orders and Financial Regulations were to be considered by the Council on 16 May 2016. Both updated documents are on the Council’s website.

Risk Management/Insurance/Asset Register:

The risk management arrangements and the insurance details were covered in the “Interim Report”. The Asset Register at the time of my audit visit was in the process of being updated for the completion of the Annual Return Box 9 on Section 2, the Accounting Statements. The original cost value of the Council’s assets as at 31 March 2015 was £134,184, and will remain the same for 2015-16 as there were no assets purchased or disposed of during the year.

Budgetary Controls and Financial Management:

The Budget for 2016-17 had been discussed by the Finance Committee and Council in December 2015. One recommendation was the increase in the Clerks hours by 2 hours per week with immediate effect. Following confirmation of the tax base for 2016-17 and the level of Council Tax Support Grant the Budget and the Precept requirement for 2016-17 was resolved at the Council meeting held on 18 January 2016. The Council approved a Precept of £95,673, a 1.9% increase for 2016-17 (Min 984 – 18 January 2016).

The Finance Councillors Cllrs Pat Banks and John Goodban have carried out regular checks of the cash book, bank reconciliation and record keeping, with references in the Minutes of any recommendations

they may have to the Council. I completed sample checks of payments made during the last six-months of the year including standing orders and direct debits. As part of the work to verify the Annual Return figures I checked the Bank Reconciliation Statement for the period ended 31 March 2016, and compared it to the Cash Book entries. There were no errors or omissions.

Payments (inc. contracts and payroll):

During the year the VAT claim for 2014-15 amounted to £2,099.53 was submitted and re-imbursed on 22 June 2015. The claim for 2015-16 for £1,815.81 was submitted on 5 May 2016.

I reported on the review of the payment arrangements in September 2015 in my Interim Report. Nothing significantly different has changed since then.

Cllr P Banks continues calculating the PAYE/NI calculations on the Clerks salary, providing an independent check on the payroll arrangements. I inspected the year-end HMRC returns as part of the Audit. In the Interim Report I mentioned the “auto-enrolment” process for the establishment of a “workplace pension”. The enrolment date for Vigo PC is 1 April 2017 with Cllr Banks as the nominated contact. **Post Audit Note:** The Council convened a Pensions Working Party held on 12 May 2016. The Working Parties recommendations accepted by the Council on 16 May 2016 was to agree a contribution rate for the first year of 3% of the Clerks salary rising to 5% over the next two years. For pension purposes additional overtime payments are not normally taken into account.

Bank Reconciliation and Balances:

At the year-end, 31 March 2016 the Council had £30,021 in its two Co-op Bank Accounts, with unpresented cheques to the value of £3,811, net value of £26,210. The Clerk advised that the banking arrangements were about to be discussed by the Council. The resultant Minute from 16 May 2016 is shown below.

Post Audit Note:

“The Finance Committee had met on 9th May to discuss a new bank account for the Council. Minutes of the meeting had been circulated to all Councillors. Cllr Banks proposed the following:

- To make more effective the roles of the clerk and councillors in the administration of on-line banking, we propose opening a new account with Unity Trust Bank and transferring the bulk or all of the Parish Council funds from Co-op bank to this new account.
- To create a 45-day notice Business Savings Account with Cambridge & Counties Bank and to invest monies as appropriate into this account, where it will currently receive interest at a rate of 1.30%.
- To keep a reserve of £5000 in the existing Co-Operative account for a minimum of 6 months. The Parish Council reserves to be transferred to Cambridge and Counties, remaining funds to be put in United Trust.

This was seconded by Cllr Graves and agreed by all Councillors.

The Clerk would make the necessary arrangements.”

David J Buckett CPFA DMS

22 August 2016