

Iwade Parish Council

Year-end Internal Audit Report for the year ended 31 March 2015

I am pleased to report to Members of the Iwade Parish Council (the "Council") that I have completed my year-end internal audit of the Council's records to 31 March 2014, carried out on 18 May 2015.

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 to the Council, Mrs Lynda Fisher 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 2014-15

The interim report recorded the updating of the Standing Orders and Financial Regulations an area that had been outstanding for a while, but now the major review has taken place there will only be the need to review these documents as and when the Council amends its working practices. The never ending development within the parish is a challenge for the Council, which may lead to the establishment of a Neighbourhood Plan, but the exciting project for the Council is the "Barn Project" and facilitating the creation of a separate Trust to take on the Project. In the "Findings" section of this report I will explore the progress of these initiatives.

Year-end Internal Audit 2013-14:

Findings

This audit visit concentrated on the year-end accounts and supporting documents for the completion of the Annual Return such as the Asset Register and Bank Reconciliation. The Council Minutes and website were also inspected.

Following my visit there are some observations I wish to bring to Members' attention.

Council Agendas, Minutes and Members:

The reporting to the Council and the subsequent minutes continue to be of a very high standard and are posted promptly on the Council's website in a PDF format.

Last year I mentioned the need to comply with Section 29(6) and (7) of the Localism Act 2011 requiring details of Council Members Register of Interests (Disclosable Pecuniary Interest's) to be made available on the parish council website. Allegedly there is to be closer scrutiny of compliance with the Relevant Authorities (Disclosable Pecuniary Interests) Regulations (part of the Localism Act 2011 requirements) post May 2015 Elections, which may include

financial penalties. There is a link to the Swale BC (SBC) webpage that currently has details of eight Members of the previous administration. Of the eight, seven were re-elected as Members, but I believe the details relate to the previous 4-year term of office. My understanding is that all elected Members regardless of whether they were previously Members that have been re-elected had to complete a new DPI form as some of the information may have changed over the years. I would therefore recommend that the Clerk check the position with the Monitoring Officer at SBC. **Post Audit Note:** The Clerk has confirmed with the Monitoring Officer's P.A that they do have all the new DPIs following the election and she advised that they will appear on Swale's website as agreed in the past, with a link to the Council's website.

The Council's website does have a list of the eleven Members of the Council.

Asset Register:

I found the Asset Register to be up to date, clearly laid out with the original cost or proxy value as well as another column showing the insurance value for those items insured. In the Interim Audit Report I mentioned the best practice of having a digital photograph of all the assets regardless of value. This has not been progressed yet, but as explained to the Clerk this work does not have to be done by the Clerk. One enterprising Clerk that I work with got her Members to take the photos of the Assets "in their patch", which helped those Members realise what the Council was responsible for, especially those new to the Council. The Asset Register does give the location of the items except for the street columns, which helps finding the assets around the Parish.

Bookkeeping & Budgetary Control:

The bookkeeping is maintained on Excel Spreadsheets held on the Council's laptop. All the information on the laptop is back-up on a monthly basis using portable hard-drives which are exchanged with the Chairman at each Council meeting.

Budgetary control is strong with the Clerk providing monthly income and expenditure schedule showing the payments made to date against the Budget with the financial variation (in £'s) to the annual budget. The Finance Committee met on 18 November 2014 and compared the Budget Monitoring Reports and the considered the first draft of the 2015-16 Budget/Precept. A draft Budget was noted by the Council on 10 December 2014. A Precept of £40,000 was approved for 2015-16, an increase of 6.39% equivalent to 42p per year for a Band D property (Min 8.7 – 14 Jan 2015). The Annual Return for 2014-15 was signed off by the Council on 10 June 2015.

Payments, Payroll and VAT:

A monthly schedule of payments is prepared by the Clerk in advance of the Council meetings and is well minuted giving details of the cheque number, payee and amount. During the Audit visit I carried out a sample check on the payment system tracing invoice payments through the cheque issued to the resultant debit on the Council's bank account. No errors or omissions were found.

The Clerk is the only employee of the Council and appointed McCabe Ford Williams (Accountants) to manage the payroll process providing the Clerk with the information to draw cheques for her net salary and HMRC payment for PAYE and NI.

An amount of £4,512 was reimbursed by the VAT Office during the year relating to a claim period April 2013 to March 2014. The Clerk had already submitted a claim for the 2014-15 financial year for £2,259 by the time of my Audit visit, the refund was reported at the 10 June 2015 Council meeting.

Year-end Accounts and Balances:

The Council has two accounts with Nat West. as follows:-

Account	Balance (£)
Current	50,476
Business Reserve	58,859
TOTAL	109,335
LESS:- Unpresented cheques up to 31 March 2015	(357)
Balance c/f as at 31 March 2015 as per Annual Return Section 1 Boxes 7 & 8	108,978

This balance does include the £16,624 balance of the Broadband Grant from KCC, which is due to be returned at some point.

At the time of my visit the Annual Return figures had been calculated and the explanation of variances required by the External Auditor drafted.

Other Matters:-

The Barn

I noted in the June 2015 Minutes that the lease between the Trustees and Swale BC was nearing completion and may well have been completed by now, although there was reference to the need for listed building consent. The Council has set aside some grant funding to support the fitting out of the Barn, when the Trust takes over the Barn facility. In due course I believe the Council will be using the Barn for some of its meetings.

Neighbourhood Plan

The Council has met with the Swale BC Head of Planning to discuss the merits of formulating a Neighbourhood Plan (reported Feb 2015) and Wards, the Developer had offered to pay for the Neighbourhood Plan. There are quite a few parish councils across Kent that have produced a Neighbourhood Plan, a tricky area arises where the parish council aspirations conflict with the local planning authority, which has caused problems in some cases. As well as the actual financial cost there is also a considerable time commitment to develop a Neighbourhood

Plan, but speaking with other PC's who have "been there and done it", will give a flavour of the commitment required and the timescales involved. Good luck.

Village Hall

As some Members will know I have been working with the new Treasurer of the Village Hall to sort out the financial situation left by the previous Treasurer and in particular resolve some outstanding issues with hirers of the hall, in particular the commercially run nursery. I noted in the Minutes that the Parish Council representative resigned from the Village Hall Committee due to concerns she had (Oct. 2014). Cllr Gale took over this role and has been regularly reporting back to the Council on the situation. Hopefully some of the "governance issues" I raised in my Report to the Village Hall Committee have been implemented, but I am confident that Cllr Gale will keep the Parish Council well informed. The Village Hall Committee like Members of the Council are volunteers and do their best for the village of Iwade.

Clerk – pension provision

During my brief conversation with the Clerk I mentioned the need to consider a pension scheme for Council employees, there being eligible and non-eligible criteria to consider. Parish Councils are already required to register whether or not staff are eligible. The web link below relates to a NALC Legal Topic Note (LTN 79) issued April 2015, which explains the current situation. <http://www.nalc.gov.uk/library/members-library/legal-topic-notes/employment-2/1537-79-staff-pensions-april-2015-1/file> **Post Audit Note:** The Clerk has since received notification from the Pensions Regulator that our Staging Date is 1.10.16 and has registered herself as the nominated contact.

Websites

The Clerk is the "webmaster" for the Council's website hosted by KCC www.iwadepc.kentparishes.gov.uk and also provides material for the Iwade Village website www.iwadevillage.co.uk At the time of writing this Report some of the older Minutes were missing from the Council's website and the latest versions of the standing orders and financial regulations were not available. **Post Audit Note:** The Clerk has updated the standing orders etc. and has contacted the EIS Department at KCC who host the website to query why the older Minutes have been "timed-out", something I have come across with other parish council websites using the KCC website system, which is usually easy to rectify.

David J Buckett CPFA DMS

26 August 2015