



Tim Light – trading as LIGHTATOUCH INTERNAL AUDIT SERVICES
7 Hodder Close, Chandlers Ford, Hants, SO53 4QD Tel: (023) 8026 3791 Email: Tim.Light1@hotmail.co.uk

16 June 2017

**Parish Clerk
Chandlers Ford Parish Council
Fryern Hill Pavilion
Greenways
Chandlers Ford
Hants
SO53 2LE**

Dear Mr Murray

**Internal Audit Letter Report for Chandlers Ford Parish Council 2016/17
December 2016– March 2017**

The Accounts and Audit Arrangements introduced from 1st April 2002 (lighter touch audit) requires all Town and Parish Councils to implement an independent internal audit examination of their Accounts and Accounting processes annually. The Council have complied with the requirements in terms of independence by the Council decision making process in 2016/2017, by appointing Lightatouch to undertake the work for 2016/17.

This is our final visit for 2016/2017 to check that the Parish Council adhere to the requirements set out in the Governance and Accountability document for Smaller Authorities in England ensuring that compliance is maintained.

An Internal Audit testing strategy is set out in the current Governance and Accountability document for Small Authorities in England appendix 5. This covers a “suggested approach to internal audit testing” covering 10 aspects ranging from Proper bookkeeping right through to Year-end procedures. Our Internal Audit testing is based on this approach. At this visit we also signed Section 4 of the Annual Return for 2016/2017.

As part of the Internal Audit Review we checked that:

Bank Reconciliations

- the financial totals as at 19 December 2016 brought forward are accurately shown in the cash books.
- all un-presented cheques and un-banked income as at 19 December 2016 were checked to bank statements to verify these were banked in January 2017.
- all direct debits, standing orders, BACS and transfers were checked and accounted for in the period 19 December 2016 to 31 March 2017.
- all bank paying in slips were banked and agreed to bank statements in the period 19 December 2016 to 31 March 2017.



June 16, 2017

Page 2

- bank reconciliations for all bank accounts had been carried out between 19 December 2016 to 31 March 2017 and totals agreed to those shown in the cashbooks.

Income and Expenditure

- all un-presented cheques and un-banked income information was checked as at 31 March 2017 to ensure that the details are accurately recorded in the Parish Council records.

- all Remittance Advices were checked and agreed to the cash book and bank statements for the period 19 December 2016 – 31 March 2017.

VAT

- it was noted that VAT reimbursement claim totals for the period 1 December 2016 – 28 February 2017 of £21,145.67 was received on the 30 March 2017. The VAT reimbursement claim for 1 March 2017 to 31 March 2017 for £6,689.69 is due to be submitted to HMRC before the end of June 2017.
- a test check was carried out on the VAT elements from payment vouchers to the reimbursement claim form for those invoices processed in January 2017 – March 2017.

Invoice Payments

- a test check of the Invoice payment files (alpha A to M) was carried out (January 2017 – March 2017) to ensure that the totals paid and VAT extracted for reimbursement was correctly paid by cheque or BACS and were authorised to match the details in the cash book.

Minutes of the Parish Council

- we checked the details of Parish Council Minutes from December 2016 - March 2017 for any financial approval or decision that affected the budget of the Parish Council and to ensure that details were correctly shown in the Financial Ledger.

End of Year Procedures

A full check was carried out on the end of year documentation provided by the Parish Clerk to confirm the accuracy of the details to be submitted to the External Auditor. This also included the validation of any variances of totals between 2015/16 and 2016/17 shown on the Annual Return in Section 2 as required by the External Auditor which is over 10%

We are satisfied that the information provided confirms the accuracy of the details to be shown in Section 2 of the Annual Return and therefore have signed Section 4 of the Annual Return.

All of the internal control statements shown in Section 4 of the Annual Return have been completed to show our opinion that there are adequate internal control systems for the Parish Council.

June 16, 2017
Page 3

Audit Opinion

It is our opinion that the various records and procedures in place for the Council provide an adequate standard of control.

All minor queries were resolved during the course of the audit for the period December 2016 – March 2017 for the various transactional elements.

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 Letter Report should be minuted by the Parish Council.

Yours sincerely,

A handwritten signature in black ink, appearing to be a cursive combination of the names Tim Light and Paul Reynolds.

Tim Light FMAAT and Paul Reynolds FMAAT
Internal Auditors