

WICKHAM ST PAUL PARISH COUNCIL

INTERNAL AUDITOR'S REPORT for the year ended 31ST MARCH 2020

Normally I would spend time with the Parish Clerk/responsible financial officer at her home where all the files and records are located. This year Covid-19 related social distancing regulations have intervened. I have therefore undertaken this year's audit at home alone. However, I have digital copies of each of the last three years accounts here and your Clerk has very helpfully raided the parish archives and provided me with all bank statements from 1st April 2016, plus her predecessor's manual cashbook and sundry other pertinent paper records.

The reason for delving into ancient history arises from the fact this is the last set of records I shall audit and both the Clerk and myself have some residual, mainly minor, concerns that can only be re-examined using a large table and no interruptions! I am home alone! That research has borne fruit and revealed a few corrections that ideally could be made to the published Statements of Financial Activities (SOFA) for 2017-18 and 2018-19. We were concerned as to what happened to the VAT refund for 2016-17 (£700) and now know it was received on 28th March 2017. This provides clarity for opening cash balances in subsequent years. The only other significant error was the over-statement of grants in the receipts for 2018-19 (£554). These two issues were rooted in misinterpreting the bank statements for that deposit account linked to the current account which shifts money back and forth to maintain a constant balance of £100 only in the current account. One small cheque (£8) somehow was entered in the cashbook for both 2018 and 2019 and has now been deleted from March 2018. These revelations have knock-on effects to surplus/deficit figures and carried forward account balances; some of which you may notice in the comparative figures for 2018-19, as set out in the SOFA for 2019-20.

The searching took the form of a forensic (line by individual line between cashbook and bank) audit within potentially suspect sections of the records, where normally I would only use sample testing. My invoice will make a modest nod in recognizing this extra work. The outcome is that the clerk and I are now confident that the next Internal Auditor will be spared the aggravation of looking backwards.

I remain satisfied that council is maintaining its annual review and updating of its Standing Orders and Regulations and that these are followed in practice. Good governance continues to be the order of the day. There is no petty cash, which is good as it is almost impossible to control let alone audit!

Last year a new separate current bank account was opened upon the transfer of funds from those who have in the past organized fireworks. At the time I remarked that the opening of a new bank account was not necessary. This year a practical problem of presentation arises. Most of us might expect the balance shown in that "new" bank account, £1,803, to match the balance shown as carried forward in the fireworks fund, £1,865. As VAT is paid by the Council on many bills and later recouped from HMRC it is not charged to individual cost centres in the published SOFA, but to a separate VAT cost centre. To get around this apparent lack of transparency may I please suggest the separate Fireworks account is closed and all transactions passed through the principal current bank account?

Like last year, I drew attention to the large amount of cash held in General Reserve, in excess of 30,000. A more realistic level, as suggested in national guidelines, would be closer to £20k. Council might well be advised to have a public policy for future use of say £10-12k of this cash, as it is public money raised through taxation of your residents.

A handwritten signature in black ink, appearing to read 'John Reddington', with a long horizontal stroke extending to the right.

John Reddington
Coggeshall

11th May 2020