



MULBERRY & CO

Chartered Certified Accountants

Registered Auditors

& Chartered Tax Advisors

9 Pound Lane

Godalming

Surrey, GU7 1BX

t + 44(0)1483 423054

e office@mulberryandco.co.uk

w www.mulberryandco.co.uk

Our Ref: MARK/RUS003

Mrs L Bannister
Rusper Parish Council
c/o Rusper Village Stores
East Street
Rusper
Horsham
West Sussex
RH12 4PX

9th May 2018

Dear Leanne

Re: Rusper Parish Council

Internal Audit Year Ended 31st March 2018

Following completion of our internal audit on the 9th May 2018 we enclose our report for your kind attention and presentation to the council. The audit was conducted in accordance with current practices and guidelines and testing was risk based. Whilst we have not tested all transactions, our samples have where appropriate covered the entire year to date. Where appropriate recommendations for future action are shown in bold underlined text.

Audit – Summary Findings

At the visit we reviewed and performed tests on the following areas:

- Review of the Financial Regulations & Standing orders
- Review of the Risk Assessments
- Review of the Budgeting process
- Proper Bookkeeping – review of the use of the accounts package.
- Review of annual accounts & annual return
- Review of bank reconciliation
- Review of income
- Review of salaries
- Review of Fixed Assets and Investments register

It is our opinion that the systems and internal procedures at Rusper Parish Council are very well established, regulated and followed. The clerk is very experienced and ensures the council follows best practice regulations and has over time adapted and changed the internal procedures as regulations and technologies have changed to maintain compliance.

It is clear the council takes policies and procedures very seriously and I am pleased to report that overall the systems and procedures you have in place are entirely fit for purpose. I would like to thank the clerk for her hard work during

the year and am pleased to say her high standard of work continues; I therefore make no recommendation for change at this stage.

I am of the opinion that the annual accounts and annual return are ready to be signed off by council and that the annual return is a true and fair reflection of the financial transaction of that of the council for the year ended 31st March 2018. Accordingly, I have signed off the annual return.

A. BOOKS OF ACCOUNT

The council continues to use excel for recording the day to day transactions of that of the council, in 2018/19 the council will migrate to Scribe. On average there are approximately a dozen transactions per month and the spreadsheets are populated on a regular basis. The clerk produces a hard copy and electronically a bank reconciliation, a payments list and authorisation list together with bi-monthly budget monitoring.

There have been no reported issues in the past and for recording receipts and payments this is entirely fit for purpose and I see no reason to make any recommendation to change.

B. FINANCIAL REGULATIONS & PAYMENTS

Confirm that the Parish Council has adopted and recently reviewed Financial Regulations.

The council, in its January 2016 meeting adopted NALC model Financial regulations and these will be taken to the May 2018 meeting for re-adoption and approval. This is in accordance with regulations.

Check that the council's Financial Regulations are being routinely followed by tracking some sample payments

I have selected the October and November 2017 minutes and traced the authorised payments to the invoices and bank statements, noting council authorisation at each stage. The invoices were attached to a payment sheet populated with authorised signatures, date of payment and date of verification.

The bacs payments are set up and paid by the clerk on the on-line system and the councillors review the bank statements to ensure only authorised payments are made. The bank system is not yet set up such that the originator of the transaction cannot authorise the same transaction – this is being changed in the 2018/19 council year.

Confirm all section 137 expenditure meets the guidelines & does not exceed the annual per elector limit of £7.57 per elector. The council has made £500 of S.137 expenditure this is within thresholds.

Confirm that checks of the accounts are made by a councillor. At council meetings the councillors review invoices, sign of the bank statements and quarterly review the cashbook. The limited number of transactions lends itself to this type of review.

Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months

The council, in its January 2016 meeting adopted NALC model standing orders and these will be taken to the May 2018 meeting for re-adoption and approval. This is in accordance with regulations.

Check the draft minutes of the last meeting(s) are on the council's website

The council routinely posts up its minutes to its web site within 30 days of the meeting, should changes be required as notified at later meetings the minutes are updated.

Check that agendas for meetings are published giving 3 clear days' notice.

The clerk was able to demonstrate that at least 3 clear days' notice is given on both web site and hard copy agendas. This is in accordance with regulations.

Confirm that the Parish Council is compliant with the Data Protection Act 1998 and that plans are being put in place to comply with GDPR 2018. The council is aware of the change in regulations and has undergone training. The

minutes disclose council discussion of the same. A GDPR policy is in the process of being written. I am of the opinion that the council is taking seriously its obligation to fulfil the requirements of the GDPR.

Check the publication of councillor's contact details etc

Councillors are contact via the clerk, the details are shown on the website. The register of interests is published on the web site. Councillor representation to external bodies is detailed by councillor but at the year end date was not on the website – this is being actioned.

I am of the opinion that the council has robust policies and procedures in place and follows these. I make no recommendation to change.

The council has £18,128, (2017: £20,203) of other payments. The cashbooks were agreed to the signed minutes and payments listings. Direct debits are shown on a n annual list.

I am of the opinion that other payments are correctly shown on the annual return Payment procedures, including invoice authorisation and cheque signing are satisfactory;

C. RISK MANAGEMENT & INSURANCE

Risks assessments is a tabular format with risks listed and actions required. This is satisfactory for a council of this size. The council has policies in place

It was noted during the payments testing that a grant had been made; however, there was no documented process in respect of grant awarding. The council is at risk of being non transparent and open to criticism insofar as it cannot demonstrate that all request for grants are considered on a objective and consistent manner. **I recommend that council write a grant making policy and follow this for future awards.**

Council insured by Maven on a standard local authority package. The money and assets cover appears adequate.

D. BUDGET & PRECEPT

The council has £64,873 (2017: £39,294) of reserves, of which £25k is earmarked leaving £40k as general. At a precept level of £26k, this would be considered high. Council is aware that reserves are high and should be earmarked for future spend rather than reducing the precept.

I am of the opinion that reserves are high.

E. INCOME

The council has £25,652 (2017: £25,100) of precept income. This was tested to third party evidence there were no errors.

The council has £26,337 (2017: £10,631) of other income, this comprises, VAT refunds, grants and operation watershed monies. This was tested to third party evidence were applicable – there were no errors. The increase in other income is due on the main to the receipt of operation watershed grant funding of £21k.

I am of the opinion that income is correctly shown on the annual return.

F. PETTY CASH

None

G. PAYROLL

The council has £8,282 (2017: £7,680) of staff costs.

The payroll costs are reconcilable to the payroll reports for the councils two employees. Payroll is outsourced, there are no pensions. Payments are approved by council in the usual manner and minuted.

The staff have contracts of employment and the minutes show changes to payroll are agreed by council.

I am of the opinion that staff costs are correctly shown on the annual return

H. ASSETS AND INVESTMENTS

The council has £182,070 (2017: £181,299) of fixed assets. There has been additions in year of a laptop and salt bin.

The assets are shown at cost and proxy cost in a simple list. The register also shows insurance value which is relatable to the insurance schedule.

I am of the opinion that fixed assets are correctly shown on the annual return

I. BANK RECONCILIATIONS

The council has £64,873 (2017: £39,294) of bank and cash balances carried forward. The council has two bank accounts and no petty cash. The bank reconciliation as a 31st March 2018 was verified in detail – there were no errors or outstanding payments.

The increase in bank balances is due to a grant receipt under operation watershed for £21k and an underspend against budget as detailed above,

I am of the opinion that bank balances are correctly shown on the annual return.

J. YEAR END ACCOUNTS

The year-end accounts have been correctly prepared on the receipts and payments basis, with no requirement of a box 7 & 8 reconciliation.

The annual return correctly casts and cross casts and the comparatives have been correctly copied over from the 2016/17 annual return. The variance analysis is required for box 3 & 7 only.

The council has made provision within its schedule of meetings to sign off the annual governance statement and accounts in time to display the notice of electors rights.

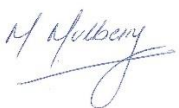
I am of the opinion the accounts and annual return will be ready for submission to the external auditor.

K. TRUSTEESHIP

The council is sole managing trustee of the Rusper Playing Field & The Childrens Playground. The filing with the Charities commission is current and up to date.

Should you have any queries please do not hesitate to contact me, finally I enclose a fee note for your kind attention.

Kind regards
Yours sincerely



Mark Mulberry