



JOHN K. MURRAY

TAXATION and ACCOUNTANCY SERVICES

9 BURLEY ROAD
WINCHESTER
SO22 6LJ

Telephone 01962 880743
Mobile 07850 863612
john.murray233@ntlworld.com

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Dear Wendy,

**Candovers Parish Council -
Accounts for the year ended 31 March 2022 "Internal Audit"**

I have now completed the "Internal Audit" of your Parish Council Accounts for the year ended 31 March 2022. I have carried out the Internal Audit following the guidelines as documented in the JPAG Book "Governance and Accountability for Smaller Authorities in England - A Practitioners' Guide" issued in March 2021 and updated in March 2022

The following points arose during the Audit:-

1. Financial Risk Assessment. I believe these are still being discuss. They ought to be in place now. With the SID in place perhaps a Risk Assessment for that would be appropriate.
2. Salary & PAYE. I have raised with you a query over the payment to you of the Administration Fee of £550 from the Lengthman 's Scheme and the fact that it did not appear to go through the PAYE system. You have acknowledged that this was an error in your part (it is correctly identified on the AGAR) and you will be declaring it to HMRC. However, the Council, as the Employer has failed in its duty to correctly apply the PAYE scheme to this payment, and it should have been corrected as soon as it was identified. I have had to mark box G on my Report accordingly
3. Transparency Code. You will see I have marked Box L on my Report as "not covered". This is because the Code does not apply to Councils over the £25,000 threshold

I have noted that the AGAR Pro-forma (with details of the Variations and Bank Reconciliation) have been adopted by the Parish Council and signed by the Chairman and the Clerk .

Will you also provide me with copies of the Bank Reconciliation and the Explanation of Variances? Please ensure that the adoption of the Accounts and the AGAR Pro-forma are minuted at the appropriate times - in particular Section 1 and Section 2 of the Pro-forma need to be specifically mentioned within the Minutes and this approval must be by **Full Council** and not by Committee. The receipt of this letter and any action taken on it should also be recorded within the Minutes.

If the Council wishes to discuss any of these points - or any other matter - now or in the future I would be more than happy so to do. Obviously, if the query can be cleared quickly by a 'phone call, then there would be no further charge. If, however, the matter requires some research on my part and/or would take time to resolve then I would have to charge and I would agree this with you beforehand so that there was no misunderstanding.