



## JOHN K. MURRAY

TAXATION and ACCOUNTANCY SERVICES

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28 April 2014

Dear Wendy,

### **Preston Candover & Nutley Parish Council - Accounts for the year ended 31 March 2014 "Internal Audit"**

I have now completed the "Internal Audit" of your Parish Council Accounts for the year ended 31 March 2014. I have carried out the Internal Audit following the guidelines as documented in the NALC/SLCC Book "Governance and Accountability in Local Councils in England and Wales - A Practitioners' Guide". In particular the Internal Audit has been carried out using "an approach to internal audit testing" contained in Appendix 9 of the revised 2010 Guide.

The following points arose during the Audit:-

1. You are aware that Parish Councils can now use electronic banking for their transactions – subject to a number of safeguards. An amendment to the Guide has been issued and I have a copy if you require this – though I understand you are likely to continue using cheques for the foreseeable future.
2. I am pleased that RTI is working and that you have completed your yearend procedures. I am sorry that you had problems with HMRC due to your lack of knowledge of this new system – I would have thought they would have been more understanding.
3. We discussed in detail your two sets of Minutes from 20 May 2013. The first set entitled "Annual Parish Meeting" is in fact the Minutes of the Annual Parish Assembly (a legal requirement that this is held annually). The second set should be called the "Annual Meeting of the Parish Council. At this meeting (to be held in May each year – though there are specific requirement in Election Years) the first item on the Agenda must be the election of the Chairman. After that I would suggest Minutes, Matters arising and then elections for Vice Chairman, committees, Representatives and the agreement of such items as Standing Orders, Financial Regulations, and Risk Assessment.

I have noted that the Audit Commission Pro-forma (with details of the Variations and Bank Reconciliation you will be sending off with this) have not yet been adopted by the Parish Council and signed by the Chairman and the Clerk Will you please provide me with a copy of the Pro-forma - Schedules 1, 2 and 4 before they are sent off and Schedule 3 when returned signed by the Audit Commission. Will you also provide me with copies of the Bank Reconciliation, the Explanation of Variances and also a copy of your full set of Accounts? Please ensure that the adoption of the Accounts and the Audit Commission 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. Please ensure (and I am sure you will) that the Form is fully completed (including filling in the boxes for the name of the Parish Council) otherwise it may be returned by the External Auditors.

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.

I enclose my Invoice for the work done so far.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John K. Murray'. The signature is written in a cursive style with a large loop at the top and a long tail that extends downwards.

John K. Murray

Ms. W. Simson  
Clerk to Preston Candover & Nutley Parish Council  
3 Farriers Close,  
Preston Candover  
Basingstoke, Hants  
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