



## JOHN K. MURRAY

TAXATION and ACCOUNTANCY SERVICES

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21 May 2016

Dear Wendy,

**Preston Candover & Nutley Parish Council -  
Accounts for the year ended 31 March 2016 "Internal Audit"**

I have now completed the "Internal Audit" of your Parish Council Accounts for the year ended 31 March 2016. 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 2014 Guide. I have also taken into account the draft 2015 Guide (now formally issued). The guidance given to me in the publication "Public Sector Audit Standards and Section 5 (1) of Statutory Instrument 2015 No. 234

The following points arose during the Audit:-

1. **Minutes:** We discussed at length your Minutes. First you should be careful with the headers as the incorrect header was used on at least three sets of Minutes. We discussed the Annual Parish Assembly and the Annual meeting of the Parish Council. These are two separate and distinct meetings and require their own set of Minutes (The Assembly Minutes are signed at the following Assembly not at a Council Meeting) we also discussed the verbosity of your Minutes particularly over discussion on the Shop. Minutes should record the decisions taken AND NOT be a verbatim record. Also it is advisable not to name individuals in the Minutes.
2. **Insurance:** I would appreciate a copy of your full Policy please with Aviva.
3. **Risk Assessments:** Thank you for showing me your Financial Risk Assessment. You need to produce, as a matter of urgency, Risk Assessments for other Parish owned facilities particularly the Play Equipment
4. **Pensions:** You need to ensure that by the Staging Date the Council has notified the Pension Regulator of its plans and actions.

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 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. The Annual Return has altered this year so please ensure that Section 1 is confirmed before Section 2 otherwise there will be questions raised by BDO with the possibility of a Qualified Audit.

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.

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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,



John K. Murray

Ms. W. Simson  
Clerk to Preston Candover & Nutley Parish Council  
3 Farkers Close,  
Preston Candover  
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