



## JOHN K. MURRAY

TAXATION and ACCOUNTANCY SERVICES

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30 April 2019

Dear Wendy,

**Preston Candover & Nutley Parish Council -  
Accounts for the year ended 31 March 2019 "Internal Audit"**

I have now completed the "Internal Audit" of your Parish Council Accounts for the year ended 31 March 2019. 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 2018 and updated in March 2019

The following points arose during the Audit: -

1. **Website:** My understanding of the Transparency Protocols and other legislation is that each Parish Council must have their own Website under the editorial control of the Council. At the moment you have a joint Website with Candovers. I would recommend that you give serious consideration to setting up your own Website. At the moment your Website includes Agenda and Minutes. The Financial Records are not accessible. I also raised last year the question why regulatory documents were not on the Website – there are still not there – this must be corrected immediately.
2. **Minutes:** Your Council has two meetings on the same day in May – the Annual Meeting and then the Ordinary Meeting. This is not necessary as both can be incorporated into one Meeting. However, if your Council wishes to continue to proceed with this arrangement will you please ensure that the Annual Meeting only deals with the election of the Chair and Vice Chair plus Councillors responsibilities and nothing else. All other matters should be dealt with at the Ordinary Meeting. Also, with Attendance – this should list only the Parish Councillors – other (such as yourself and the Police) should be shown as "in attendance"

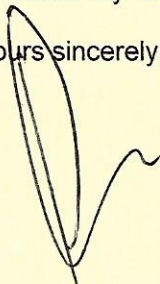
I have noted that the AGAR Pro-forma (with details of the Variations and Bank Reconciliation) have not yet been adopted by the Parish Council and signed by the Chairman and the Clerk Will you please provide me with a copy of the Pro-forma - Schedules 1, 2 and 4. Please ensure again this year that section 1 of the Annual Return is approved before Section 2.

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 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. 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).

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 fluid and cursive, with a large loop at the beginning and a small flourish at the end.

John K. Murray

Ms. W. Simson  
Clerk to Preston Candover & Nutley Parish Council  
3 Farriers Close,  
Preston Candover  
Basingstoke, Hants  
RG25 2EZ

## **PAYMENT AUTHORISATION**

Unfortunately, there has recently been a case of unauthorised payments by a Clerk/RFO within Hampshire. This was caused by the authorisation process of payments and the plausible excuses made at the time. The problem revolved around a situation where the Clerk/RFO was the only person involved in creating the payments list and authorising it. Fortunately, the problem was discovered early, and all funds have been recovered. As a result of this I am issuing the following advice to all my Councils and trust they will operate in this way if not already so doing.

The Council concerned did not seek advice from their Internal Auditor - we are there to help – so if you have any concerns the first port of call ought to be your Internal Auditor.

### **Payments by cheque**

Payment by cheque should have at least one Councillor's signature and, preferably two (though this is no longer a legal requirement). The payment schedule should either be contained within the Minutes or attached as a Schedule. If attached as a Schedule this must be appended to the signed Minutes and MUST be initialled or signed by the Chairman.

### **Electronic Transfers**

It is preferable that in the case of Electronic Transfers that the Clerk/RFO creates the payment schedule and this is then authorised by one (preferably two) Councillors. The Payment Schedule and the corresponding Bank Statement should then be attached to the Minutes and signed off by the authorising Councillors and initialled by the Chairman

If the Council has agreed that the Clerk/RFO be authorised to create and authorise without any further Council involvement then the full procedures MUST be undertaken – so that a payments schedule and the original Bank Statement MUST be produced at the next meeting so the Council can know exactly what transactions have occurred. The schedule and an approved copy of the Bank Statement can be appended to the Minutes and must be initialled by the Chairman.

I would strongly recommend that, except in special circumstances, the first option is ALWAYS adopted.

John K. Murray, DMS, FCPFA.  
Chartered Public Finance Accountant  
April 2019