

Borough Green Parish Council

Year-end Internal Audit Report for the year ended 31 March 2018

I have completed the year-end internal audit of the Council's records for the year ended 31st March 2018 and signed off the Annual Internal Audit Report on 25 April 2018.

Members should be aware that my work cannot be relied upon to identify the occasional omission or insignificant error, nor do I actively seek evidence of breaches of trust or statute, neglect or fraud, which may have taken place. It is the responsibility of the Members of the Council to guard against such events, but if during my audit testing such events are discovered I am duty bound to disclose such events to the Council.

I would like to take this opportunity to thank the Clerk, Mrs Hazel Damiral for her assistance given to me during this audit.

Previous Audits:

Interim Internal Audit 2017-18

There are a couple of matters to follow up from the Interim Report such some cleansing of old data on the website and banking arrangements. The Interim Report was considered in February/March 2018 (Mins 203 & 226 – Feb/Mar 2018).

Year-end Internal Audit 2017-18:

The internal audit covered the internal control objectives listed in Annual Internal Audit Report of the new style Annual Governance and Accountability Return (AGAR). The visit concentrated on the year-end accounts and the requirements for the completion of the Accounting Statements, the Asset Register, VAT claims and inspection of the payment arrangements including payroll. Other matters included risk management, insurance cover and any service specific issues.

Following my visit there are some observations I wish to bring to Members' attention.

Findings

Council Website:

One of the follow-up items from the Interim Report related to the tidying up of the website including the removal of old material and grouping items together to improve the look and feel of the website. A lot of work has been done by the webmaster to improve the visitor experience, although there is still a lot of historical information on the front page that could be archived.

Budgetary Control/Bookkeeping:

As reported within the accompanying Audit Findings the consideration of the Draft Budget is very thorough with a "first look" by the Finance Committee in December 2017. The full Council considered the Committees

recommendations at its meeting in January 2018, approving a Precept figure of £169,570 (£165,125 in 2017-18) an increase of 2.69%.

The bookkeeping arrangements are sound and up to date and the draft figures for the AGAR were verified.

Payments, Payroll (inc. contracts) & Income:

I inspected the HMRC records for PAYE and NI for the 2017-18 tax year and sample checked the pay calculations of the three staff. The payment schedules were checked against the BAC's records and the bank statements, no errors or omissions were discovered in any of the payments approved

The Clerk will be submitting a VAT claim for the period 1 July 2017 to 31 March 2018 for approximately £4,240 in the new financial year.

Banking Arrangements:

The Council's banking arrangements are unchanged with three accounts with Nat West. At the year-end (31 March 2018) and allowing for the unpresented cheques the Council had funds amounting to £121,660.

Regular bank reconciliations are prepared for Members showing the bank balances for all three accounts. The Council uses the BACs payment system for most of its regular payments including payroll and the Council has increased the use of direct debit payments with an annual review/approval system in place.

The outstanding amount on the PWLB loans as at 31 March 2018 was £55,330.

GDPR:

The General Data Protection Regulation (GDPR) came into force on 25 May 2018. At this stage I am only seeking to establish that the Councillors are aware of the Regulation and the Council is planning a response to the implementation deadline and the appointment of a Data Protection Officer (DPO).

A GDPR agenda item has been in place for some months with little being reported up to March 2018 due to a delay in the holding of a GDPR seminar by TMBC to be attended by several of the Parish Council including the Chairman. One of the issues for parish councils was, who to appoint as the Data Protection Officer (DPO), which it subsequently transpires that Parish Councils are to be exempted from having to appoint a DPO. However, most of my clients have engaged the services of external companies offering to undertake a data risk assessment and other work to ensure the Council is compliant with the GDPR. There is a significant amount of work to do to become compliant. **Post Audit Note:** The Council has noted that the Council is not required to appoint a DPO and have therefore not agreed to appoint anyone in this connection.

One of the areas for consideration are dedicated e-mail addresses. The Clerk's e-mail address is currently bgpc@lineone.net Similar addresses could be set-up for each Councillor. This way the content of "parish council emails" can be contained under the one e-mail address, which would help towards the Council's compliance with GDPR. The Council should seek advice on the technical matters of setting up a generic style e-mail address, which also gives a more professional feel. Encryption of data is another issue for Councils to address. KALC have run a short seminar on the encryption requirements to meet the GDPR expectations. **Post**

Audit Note: A new computer system is planned, and a new generic email address will be considered as part of the system upgrade.

There are other matters to address such as an email disclaimer, privacy statements and the impact on risk assessments and Data Protection Policy matters. The Council has several sets of data relating to services offered, which require a new approach to the management of this data as I am sure all Councillors are aware of from their own experiences in recent months under the “banner of GDPR”.

David J Buckett CPFA DMS

14 October 2018