

TOPLIS ASSOCIATES LTD.

STREETHAY LODGE
STREETHAY
LICHFIELD
STAFFORDSHIRE WS13 8LR

TEL: 01543-419202

13 July, 2020

The Chairman
Colwich Parish Council
c/o Mr M Lennon - Clerk
The Parish Centre
St. Mary's Road
Little Haywood,
STAFFORD ST18 0NJ

Dear Councilor

Conclusion of Internal Audit of your Parish Council For the year ended 31st March 2020

Following the completion of my work for the above year we are writing to inform the Council that having carried out the year-end review I have been able to sign the Annual Governance and Accountability Return Part 3 ("AGAR") without any qualification.

The independent internal examination of the Councils governance, financial affairs and certification of the 2019-20 AGAR to the External Auditor was carried out in accordance with the standards laid out in the Accounts and Audit Regulations, 2015 (as amended by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020) and embodied in the Joint Panel on Accountability and Governance ("JPAG") Practitioners Guide 2020.

In summary, we covered the following areas in our examination:

- Proper Bookkeeping
- Financial Regulations, Standing Orders and Payment Controls
- Risk Management and Insurance arrangements
- Budgetary Controls
- Income Controls
- Payroll Controls
- Asset Control
- Bank Accounts and Reconciliation
- Year End Procedures.

This year we have carried out a review of your web site to evaluate its conformance to the Local Government Transparency Code 2015 which is to be viewed as a minimum standard.

We carried out two reviews during the fiscal year and were accorded with full co-operation by your Clerk. Any issues which we raised with the Clerk during the conduct of our work have either been satisfactorily rectified or are noted below.

A copy of our Annual Internal Audit certification (page 3 of the AGAR) for 2019-20 is attached.

We would wish to draw your attention to the "Publication Requirements" on page 1 of the AGAR

We would also wish to draw your council's attention to the following matters:

1. We note that your general reserves cover (after the exclusion of properly voted earmarked funds of £212,494) is 0.36 years. We consider this now to be a comfortable level of general reserves balance at the year end and is an improvement on the 2018/19 level (0.17 years).

In respect of the new Council year we make the following additional observations and recommendations for your consideration:

1. We recommend that during the fiscal year your council should review the Risk Assessment to ensure that it still reflects the current environment. Your council should then minute its ratification;
2. During the fiscal year your council should review your Standing Orders and Financial Regulations to ensure that they still reflect the current environment. Your council should then minute that ratification;
3. Copies of both your current Standing Orders, Finance Regulations and Risk Assessment should be displayed on your councils web site and must show the latest date of revision and ratification;
4. You are reminded that when the council discusses, amends or ratifies significant documents copies should be made available on your web site for members of the public to view. These documents should be either appendices to published minutes and agenda papers or as separate documents on the web site (preferably with a hypertext link to facilitate ease of searching);
5. This year your turnover has exceeded £200k and you are now being consistently treated by the External Auditor as though you were a small town council. This means that you are regularly treated as an Intermediate level audit and subject to a higher degree of external scrutiny with a

requirement to see our detailed reports. With this change in mind we would ask you to consider:

- a. Is it still appropriate for use to report to you annually in the form of this letter or would you now wish us to make a more detailed report?
 - b. If you wish us to increase the number of audit visits (to say 3 per year)?
 - c. If you would wish to add to our normal internal audit driven by the guidelines in the JPAG Practitioners Guide by a supplementary audit program to answer any particular concerns that councilors may have about the governance of the council? In no way does a program of this nature constrain us in our internal audit approach but it does allow councilors to have any particular concerns they may have answered. We have provided your Deputy Clerk with a sample program from another council to at least give you a flavor of the types of issues being addressed. Again we would ask you to let us know if this approach would be suitable for your parish council?
6. You must discuss the appointment of your internal auditor and ratify and minute the appointment during the current financial year. We were pleased to have been your internal auditor during 2019/20 and offer ourselves for re-appointment. Please note that we may need to requote depending on the answers to 5a, 5b and 5c above.

It is your Council's responsibility to note these comments and to consider what action should be taken.

Can we take this opportunity to remind you that when the AGAR comes back from the External Auditor you do have a duty to display the accompanying notice of Completion of Audit on each of your usual notice boards and on your council's website.

The complete AGAR and any auditor's comments or qualifications should also be displayed on your web site to allow electors to see the complete card and read the External Auditors comments if they wish to do so.

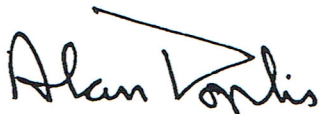
In accordance with Regulation 13 (of the Audit and Accounts Regulations), after the conclusion of the period for the exercise of public rights, but no later than 30 September (or as revised for COVID-19 extensions), the authority must publish (including on its website) the annual governance statements, statement of accounts, and the external auditor's certificate and report – Sections 1, 2 and 3 of the Annual Governance and Accountability Return. Authorities must keep copies of these documents for purchase by a person at a reasonable sum and ensure that they remain available for public access for 5 years

Please do remember to retain a copy of the notice on file as proof that you have followed the requirements of the Local Government Act. You should also minute the External Auditors approval of the AGAR and any qualification or comments made and take action where necessary.

You may find the advice given by the Chairman of the Smaller Authorities Audit Appointments body neatly summarises the changed dates agreed with the MHCLG. I have enclosed a copy for the information of you and the Clerk.

We will make our next visit in October/November but please do not hesitate to contact me should you require advice in the meantime.

Yours sincerely,

A handwritten signature in black ink that reads "Alan Vortis". The signature is written in a cursive style with a long, sweeping horizontal line extending from the end of the name.