

TITCHMARSH PARISH COUNCIL

Dear Julia,

Re: Audit Report for year ending 31st March 2017

Many thanks for carrying out such a thorough internal audit and for submitting your report so promptly. As the report was addressed to the Chair of Titchmarsh Parish Council, I am taking the opportunity, following discussion at our council meeting on Tuesday 20th June 2017, to respond on behalf of the Parish Council.

This letter aims to clarify some of the issues raised in your report and to set out actions the Council is taking in response to comments in your report.

We agree that it was unfortunate that Sylvia Prestwich, our Responsible Finance Officer, was not able to be present at the audit as she has many years' experience and our clerk, Amanda Claxton, is relatively new to the role.

Firstly, we would like to address your concerns regarding a Councillor taking on the role of RFO and the risks that this could potentially give rise to when handling Public Money.

Let me clarify. Our RFO does not let any of the few contracts required by the Council. These are all let by the Clerk following authorisation by the full Council. The RFO is not a signatory to the bank account, nor does she keep the cheque book or write out any cheques. All payments from the bank account are authorised by full Council and the cheques signed by two Councillors. Our RFO's role is simply an administrative one whereby she puts together the Budget for the year and the Quarterly Accounts together with appropriate reconciliations to bank statements. Both the Budget and the Quarterly Accounts are scrutinised by and signed off by the full Council. We believe this is, in fact, a strength as it provides an additional check on all transactions going through the bank account.

The other roles our RFO undertakes are dealing with the payroll and pensions issues relating to the Clerk, VAT and, with the Clerk and Internal Scrutineer, carrying out the annual risk assessment, asset valuations and preparation for audit. We believe that the RFO handling payroll issues and a small team carrying out year end procedures provides stronger controls and lower risk than if the Clerk alone was to deal with these issues.

As the RFO at no time has access to public funds we are not sure how this can be a risk to Public Money and indeed division of responsibilities between two or more people with checks and balances provides stronger internal control.

Turning to the other points of your report:

1. We understand our responsibilities under the Transparency Code. The Annual Return had already been published on the website and we are now taking steps to ensure that all audit reports are also published.
2. We are aware that the NCALC job description for the RFO is contained within their template job description for the Clerk. However, we have operated with a Councillor as RFO for many years and until recently this has not raised concerns. The Council has discussed the matter at length, we have assessed the risks and we are content with the way we operate.

3. We do not fully understand this comment and would appreciate more information.
4. a) See above. If you still believe there is a risk to Public Money we would be interested to hear your reasons and whether there are any specific issues or payments which are of concern.

b) The Risk Assessment was carried out in March and approved & minuted at the April meeting.

c) Our insurance is on a three year fixed premium so the premium is only reviewed on renewal. Having said that the asset register and insurance values are reviewed annually to ensure the cover is adequate.

d) Although the Minute Book is not numbered, all minutes are coded year/month/minute number and cross referenced with the agenda. This provides a robust audit trail. However, we see no problem with numbering the pages.

e) Titchmarsh Parish Council represents a small parish with few assets and transactions and a healthy bank balance. We could produce monthly bank reconciliations but have felt that quarterly is sufficient for our needs. The Quarterly Accounting Statements should be attached to and referenced in the minutes along with copies of any other papers discussed at Council and we will ensure that this happens in the future. The Quarterly Statements will be published on the noticeboard and on the website with the minutes. We will publish in the minutes a monthly bank balance which will be based on the balance on the last day of the previous month adjusted for any unpresented cheques.
5. Powers to make payments are included in the budget. We will take steps to include these on both the Quarterly Financial Statements and in the Minutes. We can confirm that we are registered with the Pensions Regulator and that the RFO regularly backs up the Council's financial data. We appreciate the reminder that all invoices should be made out to the Parish Council and we will provide a form addressed to the Parish Council which any Councillor or the Clerk can use to claim reimbursement for payments they have had to make. We will be looking for courses for the RFO and Clerk to attend.
6. The Clerk has already attended the Agendas & Minutes course and we are now adopting a more rigorous approach to the recording of decisions in the Minutes.

Once again thank you for drawing these issues to our attention and we hope that our clarifications and actions give reassurance that Titchmarsh Parish Council undertakes its Governance role in a responsible manner.

We look forward to hearing from you.

Yours Sincerely

Jackie Rowe

Chair, Titchmarsh Parish Council

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