

CLAYDON WITH CLATTERCOTE PARISH COUNCIL INTERNAL AUDIT 2017-18

Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the staff and management and not left for internal audit.

The council is required to take appropriate action on all matters raised in reports from and to respond to matters brought to its attention by Internal and External Audit. Failure to take appropriate action may lead to a qualified audit opinion being issued by the External Auditor.

To the Chairman of the Council:

I met with Kirsty Buttle, Clerk and RFO on 04 May 2018 to carry out the Annual Internal Audit of the Council; I would take this opportunity to thank Kirsty for her time and assistance. It is important to note that managing the council's internal controls is a day-to-day function of the council through its staff and councillors and it would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council in order to detect error or fraud. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.

Last year, I identified 6 audit issues and I am pleased to report that all matters have been addressed and satisfactorily resolved by the Council. This year, I noted that the Council is able to claim exemption from external audit, due to the higher of gross income and expenditure in 2017/18 being below the £25,000 threshold and the Council has opted to exercise that entitlement. I confirm that on the basis of the figures seen by me (income £9,902 and expenditure £8,853) the Council is entitled to claim the exemption. This year, I identified just two audit issues, that the Council should consider and address;

- election of the Chairman as the first item of business at the Annual Meeting of the Parish Council is properly recorded and whilst I am satisfied that the newly elected Chairman then signed the 'declaration of acceptance of office' (from which his / her authority derives, that should be expressly minuted.
- as part of the Council's risk assessment regime, any and all trees owned or under the control of the Council should be subject to a safety management regime including routine checks by a person with sufficient competency to assess the tree(s) and identify any necessary action to be taken. Useful guidance on managing trees is given here http://www.hse.gov.uk/foi/internalops/sims/ag_food/010705.htm#Summary

I also noted that the incorrect version of the 'exercise of public rights' notice had been used; a link* to the correct version is given at the end of this report.

Notwithstanding the above comments, the Council together with its qualified and competent Clerk is to be congratulated in achieving and then maintaining significant improvements in standards of governance during the course of the audit year. Through examination of information provided on the Council's website and the inspection of hard evidence and questioning, I tested all of the objectives of Internal Controls set out in the Internal Audit Report, part of the Annual Governance and Accountability Return (AGAR). I am satisfied that in all significant respects, the internal control objectives have been achieved and accordingly, I have completed and signed off the Annual Return (AGAR) as required.

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The proper practices referred to in Accounts and Audit Regulations 2015 are set out in *Governance and Accountability for Smaller Authorities in England (March 2018), A Practitioners' Guide*. It is a guide to the accounting practices to be followed by local councils, and sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

https://www.pkflittlejohn.com/sites/default/files/media/documents/governance_and_accountability_for_smaller_authorities_in_england_2018_sections_1-5_0.pdf

* https://www.pkf-littlejohn.com/sites/default/files/media/documents/making_provision_for_the_exercise_of_public_rights_2017-18_-_exempt_authorities.docx