

## **CLAYDON WITH CLATTERCOTE PARISH COUNCIL INTERNAL AUDIT 2018-19**

*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 09 May 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.

During the course of the audit, I examined the Council's arrangements for the management and control of its business in the areas of bookkeeping, due process (ie compliance with the proper practices as set out in the Practitioners' Guide), risk management, budget setting and monitoring, payroll, asset register, bank reconciliations, internal control, data security and back-up and year-end procedures.

I noted that the Council claimed exemption from External Audit last year and I was able to confirm that it was entitled to do so. I also sought evidence that my previous year's report had been properly reported to and actioned by the Council; it had. As a result of this audit, I would draw your attention to the following issue that the Council should consider and address *viz*;

- the Council publishes its agendas and minutes together with other documents that it is required to display on a village website. I noted that the Agenda for one meeting was not displayed by the due date (leading to a complaint by a member of the public) and that the draft version of some Minutes had not been replaced by the confirmed version. I understand that these problems are due at least in part to the fact that the Council does not have access to or control of the website. As a *quid pro quo* for exemption from external audit, qualifying councils MUST comply with the requirements of the Transparency Code for Smaller Authorities by displaying all of the information set out in Annex A to the Code; currently, this is not the case. The Council should now consider, urgently the options for achieving compliance and implement any changes necessary without delay.

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). Notwithstanding the above comments, 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 Internal Audit Report, part of the Annual Governance and Accountability Return (AGAR) as required.

John Marshall  
Internal Auditor to the Council  
07505 139832  
[wjm.marshall1@gmail.com](mailto:wjm.marshall1@gmail.com)

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