

Internal Audit Report

(to be read in conjunction with Section 4 of the Annual Return)

Name of council:	Maidwell with Draughton Parish Council		
Name of Internal Auditor:	Fiona Keable	Date of report:	26.05.2016
Year ending:	31 March 2016	Date audit carried out:	26.05.2016

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 internal and external audit 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.

To the Chairman of the Council:

I carried out the year end audit of Maidwell and Draughton Parish Council on May 26th 2016, my thanks to Clerk and RFO Anne Cowan for her assistance and hospitality.

There has been a change of Clerk in the past financial year, however, this does not appear to have had a negative impact upon the management of the council. It should be noted that Anne Cowan has taken an active interest in furthering her knowledge and skills and should be supported in her future desire to obtain the CiICA qualification, it would also be beneficial for the Clerk to be a member of the Society for Local Council Clerks. I would also advise that the Council should purchase a copy of Local Council Administration by Charles Arnold Baker.

All matters from the previous year's internal and external audit have been actioned and minuted.

I have noted some issues which are outlined below;

- There is a need for greater clarity and explicit recording by Minute when approving the budget and setting the precept. The two should be clearly and separately discussed and minuted. Please see the *Governance and Accountability for Local Councils – A Practitioners' Guide (England) (2016)*.
- The reserves have been allowed to decrease to a level that could potentially leave the council at risk should there be an unforeseen large expense. The Clerk has identified this risk and has allowed for an increase in reserves in the 2016-2017 budget.
- There should be no decisions made under the agenda heading Matters Arising, it is advisable to give any item requiring a decision its own specific agenda reference.

By examination of hard evidence and questioning, I tested all the aspects of the Councils internal controls that I am required to consider at Section 4 of the Annual Return and I am satisfied that effective systems to manage, monitor and control the Councils business either are, or will be in place. Accordingly I have completed and signed off Section 4 of the Annual Return as required.

This report is based on the evidence made available to me. 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. Consequently the report is limited to those matters set out above.

Yours sincerely,

A rectangular box containing a handwritten signature in black ink. The signature appears to read 'F Keable'.

Fiona Keable
Internal Auditor to the Council
01604 820522
fmkeable@gmail.com

The figures submitted in the Annual Return are:

	Year ending 31 March 2015	Year ending 31 March 2016
1. Balances brought forward	859	1211
2. Annual precept	5237	6958
3. Total other receipts	1169	2079
4. Staff costs	2290	2379
5. Loan interest/capital repayments	0	0
6. Total other payments	3762	3774
7. Balances carried forward	1211	4096
8. Total cash and investments	1211	4096
9. Total fixed assets and long term assets	6809	10750
10. Total borrowings	0	0

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Local Councils – A Practitioners’ Guide (England) (2014)*. 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:

<http://www.northantscalc.com/uploads/practitioners-guide-v12jun14.pdf>