

Internal Audit Report

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

Name of council:	Wicken Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	09.05.2014
Year ending:	31 March 2014	Date audit carried out:	09.05.2014

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 Wicken Parish Council on 09 May 2014; I would take this opportunity to thank Ruth Millard, Clerk and RFO for her time and assistance. Ruth was appointed Clerk / RFO on 01 September 2013 and in the 8 months that she has been in post, Ruth has worked hard to develop and improve the Council's governance arrangements. Most – but not all – of the issues identified in my February 2014 pre-audit report have been addressed but some issues are still to be resolved. However, a number of measures to achieve compliance with legal requirements including the 'proper practices' required by the Accounts and Audit (England) Regulations 2011 are now in place.

Through questioning and the examination of hard evidence, I tested all of the objectives of the Council's Internal Controls on which I am required to comment in Section 4 of the Annual Return. Unfortunately, I found some areas of non-compliance that required me to answer 'no' as follows;

- books of accounts were not maintained throughout the year. The Council's accounts (in the form of a receipts and payments spreadsheet) were not constructed until September, prior to which no proper accounting system was provided. I am however satisfied that the year-end accounts, as now presented accurately reflect the transactions for the audit year and accordingly, the system now in place is deemed fit for purpose.
- whilst a Risk Assessment is in place, it does not cover the risks associated with the condition of the play equipment for which the Council takes responsibility. Reliance is placed on the annual inspection carried out by the playground equipment supplier although the matters requiring attention that were cited in their report of 06 March 2013 were not apparently acted upon until very recently, when the (overdue) check by the inspector revealed urgent safety action to be necessary. No regular (weekly) inspection scheme for the play equipment is in place and the equipment does not appear on the Asset Register or indeed on the insurance schedule.
- there is no evidence, minuted or otherwise of the Council having set a budget for the audit year. The Minutes of 05 September 2012 record a discussion regarding the

upcoming precept demand and the Minutes record further discussion on 06 March 2013 when the precept was set. However, the Minutes are silent on the matter of a budget and no documentary evidence of a budget having been produced could be found. It follows that no monitoring of budget or expenditure appears to have been carried out during (at least) the first half year. NB a budget has been set for the current year 2014-15.

- an Asset Register was not maintained, rather reliance was placed on the insurance schedule. An Asset Register has now been produced and adopted by the Council at its recent meeting in May 2014; items eg the play equipment are still to be added.

Other governance issues identified were as follows;

- Standing Orders (SO) were not in place throughout the year; the Council did not adopt SO, based on the NALC new model template until May 2014.
- not all Councillors have individually completed the necessary declarations upon taking office, including a Register of Interest form. Once completed, these must be submitted to the Monitoring Officer at the principal authority ie South Northants Council.

I would reiterate the comment in my earlier report that all reports received from Internal Audit must be presented to the Council and their receipt minuted, together with the action the Council resolves to take in respect of the matters drawn to its attention. Please note that the Council is required at Section 2 Qu 7 of the Annual Return to confirm that it has acted upon these issues and evidence of this has now become a standard enquiry made by BDO, as External Auditor to Councils selected for intermediate audit.

Furthermore, I would remind you that your membership of Northants CALC entitles you to access and benefit from a range of advice and services (including the internal audit service) throughout the year. To that end, please note that further advice on the requirements set out in this report or any other audit-related matters is available from the Northants CALC office (01327 831482), the e-mail based member's enquiry service (mes@northantscalc.gov.uk) or me, either now or in the future.

John Marshall
Internal Auditor to the Council

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