

## **WESTBURY 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 Cathy Knott, Clerk and RFO on 02 May to carry out the Annual Internal Audit of the Council; I would take this opportunity to thank Cathy for her time and assistance.

Last audit year, I identified 6 governance and 10 financial audit issues and I am pleased to note that all issues have been fully addressed and 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 £19,633 and expenditure £20,654) the Council is entitled to claim the exemption. I noted just 2 audit issues this year, as follows;

- the Risk Assessment document is somewhat 'thin' in certain areas, particularly in respect of
  - a) the management of health and safety risks, where details of the monthly visual inspection of the playground should be recorded and retained and arrangements made to include annual inspection of any council-owned trees
  - b) business continuity, to include details of contingency arrangements and
  - c) data security and fraud (no mention is made of the fidelity guarantee).

The requirement for a council to maintain and annually review its risk assessment is one of the key and core requirements of the Accounts and Audit Regulations 2015\* and examples of how the risk assessment might be amended to deliver appropriate improvements have been provided to the Clerk.

- the record of payments does not include provision for s.137 grant payments. In that respect, I would draw the Council's attention to the potential opportunities offered through adoption of the General Power of Competence (GPOC) The Council now has a CiLCA qualified Clerk which is one of the two pre-requisites for adoption of GPOC, the other being to have a minimum of 2/3rds of members elected (even if unopposed). Whilst this requirement will probably not be available until the next full council elections, early recognition of the considerable advantages that GPOC offers is desirable, hence me drawing attention to it now.

I noted a much improved performance this year, for which the Council and its Clerk should be congratulated. Notwithstanding the above mentioned comments and observations, 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.

**John Marshall, CiLCA**  
**Internal Auditor to the Council**  
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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.pkflittlejohn.com/sites/default/files/media/documents/governance_and_accountability_for_smaller_authorities_in_england_2018_sections_1-5_0.pdf)