

Annual Internal Audit Report

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

Name of council:	Boughton Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	18.04.18
Year ending:	31 March 2018	Date audit carried out:	17.04.18

*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. 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 the council in order to detect error or fraud. This report is based on the evidence made available to and seen by me. **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 met with Jayne Bunting, Clerk and RFO on 17 April to carry out the year-end audit of the Council; as ever, I would take this opportunity to thank Jayne for her time and assistance and to congratulate her on achieving the Certificate in Local Council Administration during the course of the audit year.

Last year, BDO as External Auditor raised no audit issues; I identified one audit issue - a £1 rounding error - that has been resolved. This year, I would draw the Council's attention to the following issue. I noted that the duration of some meetings of the Council exceeds 2 hours, the time stipulated in the Council's Standing Orders at 3 w. Strictly speaking, meetings should not exceed the stipulated time without the passing of a resolution to suspend Standing Orders. Whilst a degree of flexibility and pragmatism is clearly appropriate, meetings that extend significantly beyond the stipulated time eg to 3 ¼ hours, as in March 2018 are not to be encouraged. The *rationale* for setting a maximum time for meetings is based on experience that shows having a defined meeting duration, that can only be extended, exceptionally via a successful resolution to continue beyond the set duration, assists in ensuring that Councils (that invariably meet in the evening, at the end of an extended day) make good judgements and sound decisions.

It is perhaps no coincidence that the March meeting was unusually lengthy due to the 'knock-on' effect of extra business resulting from the Council's practice of not meeting in February. The Council also chooses not to meet in August and December. Whilst the former is not uncommon, the latter is less so; not meeting in February is unusual. That said, the Council exceeds the requirement for the minimum number of meetings *per annum* and so I draw this matter to the Council's attention simply to stimulate a debate on whether the current frequency of meetings of what is becoming an increasingly busy Council, remains appropriate in the current climate.

The Council remains very well organised and served by its, now qualified Clerk; the council might wish to consider the opportunity, now available to adopt the General Power of Competence. Through examination of the website, hard evidence and questioning, I tested all of the objectives of Internal Controls set out in the Annual Governance and Accountability Review and have completed and signed off the Internal Audit Report as required.

John Marshall
 Internal Auditor to the Council
 07505 139832
 wjm.marshall1@gmail.com

The figures submitted in the Annual Return are:

	Year ending 31 March 2017	Year ending 31 March 2018
1. Balances brought forward	28,766	28,143
2. Annual precept	30,608	39,263
3. Total other receipts	7,634	3,889
4. Staff costs	14,966	17,838
5. Loan interest/capital repayments	0	0
6. Total other payments	23,899	20,898
7. Balances carried forward	28,143	32,559
8. Total cash and investments	28,143	32,559
9. Total fixed assets and long term assets	56,187	50,477
10. Total borrowings	0	0

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.pkf-littlejohn.com/sites/default/files/media/documents/governance_and_accountability_for_smaller_authorities_in_england_2018_sections_1-5_0.pdf