

Annual Internal Audit Report

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

Name of council:	Moreton Pinkney Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	25.05.2015
Year ending:	31 March 2015	Date audit carried out:	25.05.2015

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. This report is based on the evidence examined and made available to me. It would be incorrect to view internal audit as the detailed inspection of every record and transaction of the Council in order to detect error or fraud. Consequently the report is limited to those matters set out below.

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 Moreton Pinkney Parish Council on 25 May. There has been a very recent change of Clerk and I therefore met with Caroline Bedford, outgoing Clerk / RFO as well as Gary Denby, incoming Clerk / RFO; I would take this opportunity to thank both of them for their time and assistance.

For the previous audit year 2013 – 2014, BDO as External Auditor raised no audit issues and I raised just one issue, the need for the Council to move to the newest version of NALC's model Standing Orders when next they were reviewed; the Council did so during the course of the audit year. The Council were selected for an Intermediate Audit last year and have again been selected this year. I noted the following issues;

- Standing Orders, specifically at page 8 (l) should be further amended at the next annual review to take account of the 'Openness' requirements dealing with recording and broadcasting etc of meetings.
- the Council did not formally record, by minute the discussion and resolution relating to the setting of the 2015/16 precept during the audit year. I understand that this due to an oversight by the Clerk, as a result of the decision to hold the precept at the previous year's level (£6,000). The Clerk had correctly conducted and recorded the process and decision the previous year and I am therefore satisfied that this was indeed an oversight rather than a failure in the Council's procedures.
- the Council does not explicitly record the monitoring of progress against budget. However, the financial monitoring and management arrangements include a quarterly full check of the Council's finances by the Council's appointed Internal Controls Councillor, who then reports to the Council. Budget management and review is implicit in that procedure and given the small number of transactions (less than 50) during the year and the relatively low level of mainly predictable ie repeat expenditure, I believe the arrangements fulfil the spirit of the requirements and that the Council's procedures and systems are fit for purpose.

- I noted an error of £1, almost certainly due to rounding between the figures recorded in boxes 7 and 8 of Section 1 of the Annual Return. The Clerks, old and new will together seek to resolve the error before submission of the AR to BDO as External Auditor.

Notwithstanding the above comments, I am satisfied that the Council has sound policies and procedures together with robust internal controls and has met all but one of the objectives that I am required to test at Section 4 of the Annual Return. Accordingly, I have completed and signed off the Annual Return as required.

Should you have any questions about this report or queries about what is required, then please feel free to contact me.

John Marshall
Internal Auditor to the Council
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The figures submitted in the Annual Return are:

	Year ending 31 March 2014	Year ending 31 March 2015
1. Balances brought forward	3,880	4,245
2. Annual precept	5,700	6,000
3. Total other receipts	1,735	19,110
4. Staff costs	1,592	1,603
5. Loan interest/capital repayments	Nil	Nil
6. Total other payments	5,469	22,347
7. Balances carried forward	4,254	5,414
8. Total cash and investments	4,254	5,413
9. Total fixed assets and long term assets	18,109	18,109
10. Total borrowings	Nil	Nil

*** The 'proper practices' are those set out in the publication "Governance and Accountability, A Practitioners' Guide" available at <http://www.nalc.gov.uk/library/publications/803-governance-and-accountability-with-appendix/file>**