



HESKETH
with
BECCONSALL
PARISH COUNCIL

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Friday, 9th June 2017

Mrs K Pilkington, Clerk
Haigh Parish Council
13 Christleton
Wigan
WN6 9DQ

Dear Mrs Pilkington

Internal Audit 2016-2017

Thank you for your assistance in undertaking the audit of the Council's affairs today.

I detail below my findings in relation to the audit where I found the records to be overall in good and sound order.

Kind Regards

A handwritten signature in black ink, appearing to read 'Ian T Cropper', is written over a large, faint watermark of the parish council's coat of arms.

INTERNAL AUDIT REPORT – June 2017

I was appointed Internal Auditor, for the financial year 2016-2017, for The Parish of Haigh by letter from the Parish Clerk dated 26th February 2017

The **Accounts and Audit Regulations 2015** came into force on 1st April 2015 and this Statutory Instrument is applicable for the Annual Review for the year ending 31st March 2017. Guidance from the "**Governance and Accountability for Smaller Authorities in England**" March 2016 contains the relevant working document although the 2017 edition may be voluntarily adopted.

This report sets out those areas examined on the 9th June 2017.

A Quality Parish Council

The auditor now must take into account “**Public Sector Internal Auditing Standards**” (PSIAS). Internal auditing is an independent, objective assurance and consulting activity designed to assist and improve an organisation’s operations. It should help an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The present method of a single annual review and assessment of the Council’s operations would now seem to be falling short of the objective and this is dealt with later in my Findings/Recommendations.

Accounting records were checked on the basis of a random 5% sample of cashbook transactions including appropriate authorisations and a clear audit trail between Minutes, Invoices, and the cashbook. No significant issues arose from this.

I reviewed the Minutes of the Council and Committees for the year to identify whether or not any issues exist that may have an adverse effect, through litigation or other causes, on the Council’s future financial stability.

I reviewed the Budgetary Control and monitoring that is in place.

It was noted that very little, if any, expenditure is on Parish Council Projects and that the Council’s main business appears to be the monitoring of others. The cost/output ratio was thus 100% with virtually all of the Precept collected being spent on administration.

RECOMMENDATIONS / FINDINGS

1. BUDGETARY CONTROL

It is required that the setting of Budgets should be a clear transparent process. It is recommended that meetings to discuss suggestions, proposals and projects be fully minuted.

2. CASHBOOK/VOUCHERS

It is recommended that where payments, such as grants, are made without a supporting invoice, a receipt should be obtained from the beneficiary and filed with dummy voucher. Some Councils choose to request a copy of accounts showing receipt of grants which you may wish to consider.

It was noted that a timing adjustment was noted on the Receipts and Payments Sheet. Cash accounting requires figures to be recorded at the date of receipt/payment.

3. EFFICIENCY

As previously mentioned, the use of Officers time and the cost of administration (cost/output) should be constantly reviewed. Much of the ‘Business’ conducted at meetings would appear to be discussion; this could be carried out in ‘Working Groups’ and perhaps reported back to less frequent Council meetings. A meeting’s main purpose is to make decisions on specific items placed on the Agenda and for the Minutes to record those decisions. Verbatim reports and presentations should not be included

4. POLICY DOCUMENTS

It was noted that during the year, a Casual Vacancy Occurred. In the interests of transparency, it is recommended that a ‘Policy Document’ is produced to identify the exact procedure for Co-option.

5. DOUMENTATION

I confirm that I have not had sight of previous years Internal Audit reports nor have I been able to confirm full compliance with regards to the Transparency Regulations.

6. INTERNAL AUDIT

Internal Audit should be regarded as a continual on-going process with the Council constantly looking inwards to satisfy itself that it is operating transparently, efficiently and within the relevant legislation; in Principal Councils this is undertaken by a Scrutiny Committee. Clearly this is not necessary here but members should be aware of this need for constant vigilance and not rely on an annual review.

***** END *****

