

Internal Audit Report

(to be read in conjunction with the Annual Governance and Accountability Return)

Name of council:	Rothwell Town Council		
Name of Internal Auditor:	John Marshall	Date of report:	21.05.18
Year ending:	31 March 2018	Date audit carried out:	21.05.18

*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 a council in order to detect error or fraud. This report is based on the evidence made available to me and 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 met with Philippa Page, Clerk and RFO on 21 May to carry out the year-end audit of the Council. I would take this opportunity to thank Philippa for her time and assistance.

I noted that the issue raised last audit year by BDO as External Auditor has now been addressed by the Council, as confirmed by the positive response to assertion 1.7 of the Governance Statements, Section 1 of the Annual Governance and Accountability Return (AGAR). The information displayed on the Council's website still falls short of that required by the Transparency Code but I also noted that the promised new website is now in place and partially loaded with both current and historic information, so I am happy to record that matter as 'work-in-progress'.

The website is just one of several changes to policies and procedures that Philippa, as the newly appointed Clerk has put in place. Constant and ongoing change has now become the norm in this sector of local government and I believe that the Council is well placed to deal with the complexities and demands of new and impending legislation.

I would draw the Council's attention to the following issues that I identified, viz;

- Apologies. When a Councillor tenders apologies for not being able to attend a meeting of the Council to which they have been properly summonsed, the apology for non-attendance should be accompanied by a reason. This is because the Council is charged with accepting (or not) the apology and without a reason, a judgement cannot be made. The Agenda item should properly be 'Acceptance of apologies for absence' and to quote from 'The Good Councillors' Guide',

What if you cannot attend? Remember, you have a duty to attend but sometimes things crop up and you are unable to make it. You must contact the clerk with an apology and explanation. A darts match is not an adequate excuse whereas illness or work commitments are acceptable reasons. If you fail to attend any meetings for six months, you will automatically cease to be a councillor unless the council approved your reason for absence before the end of the six month period.

- I understood from the Minutes that the Fidelity Guarantee provided by your insurer, Zurich was £25,000 but was increased recently and currently stands at £50,000. On the basis of the figures seen by me, that figure appears to be insufficient and you should discuss this matter with your insurers to agree on an appropriate level of cover that is then reflected in your risk assessment and management documentation.

Notwithstanding these comments, 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). The Council is well organised and efficiently run by its knowledgeable and competent qualified Clerk and I am satisfied that in all significant respects, the internal control objectives have been achieved by the Council throughout the audit year. Accordingly, I have completed and signed off the Annual Return (AGAR) as required.

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

	Year ending 31 March 2017	Year ending 31 March 2018
1. Balances brought forward	19,190	39,369
2. Annual precept	30,000	30,000
3. Total other receipts	15,121	7,326
4. Staff costs	8,385	9,837
5. Loan interest/capital repayments	0	0
6. Total other payments	16,557	35,042
7. Balances carried forward	39,369	31,816
8. Total cash and investments	39,369	31,816
9. Total fixed assets and long term assets	24,737	37,529
10. Total borrowings	0	0