

Internal Audit Report

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

Name of council:	Wing PC		
Name of Internal Auditor:	Stuart McDonald	Date of report:	29 th April 2020
Year ending:	31 March 2020	Date audit carried out:	28 th April 2020

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 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 Chair of the Council:

Due to the restrictions imposed by the COVID-19 pandemic, I carried out the audit of the Council's accounts for the year ending 31st March 2020 remotely, and on 28/4 had a telephone conversation with Helen Duckering (Clerk) to finalise my conclusions. I would like to thank Helen for her patience in emailing/scanning over documents which in normal times would have been easier to view face to face. I also note that Helen took over the responsibilities as Clerk on 1st June 2019.

I shall firstly deal with the matters I raised in last year's Internal Audit report. I am pleased to say that action has been taken on all of the matters raised, with the exception of just one, and that is the fixed assets register – please see item 1 below. The clerk drew up an action plan to address the issues raised last year, and this approach has clearly paid off.

Now to this year's audit, and I draw your attention to the following 3 matters:

1. Fixed assets register. The value of the Council's assets on the Accounting Statement is £227,023, the same as last year. The asset listing does not list any values for the assets held, and it is therefore not possible to verify this value. I note, on a positive note, that the village hall has been revalued as part of a review of its insurance, and plans are in place for a review of all the assets to establish valuations. I note that obtaining the historical cost, the preferred valuation method, may not be possible due to incomplete and/or missing records for assets which date back some time. Alternatives are available, and the Governance Guide, referred to at the foot of this report can help. I have answered 'No' to the objective in Item H on the Annual Internal Audit report, as I did last year.
2. I have answered "No" to control objective L on the Internal Audit report. Due to an oversight – all the other required documents are indeed available on the website – the requirement to provide for the exercise of public rights as specified in the Accounts and Audit Regulations 2015 (Reg 15 (2)) was not met. There is reference to the exercise of public rights on the "Finance and Audit" page on the website, but

the explanations and documents are not where they are purported to be. I am confident that this will be done correctly this year.

3. Councillors' Register of Interests. This should be available for all Councillors on the website, or via a link to eg Rutland County Council's (RCC) website. The registers are not available on the Council's own website, and there is no link to RCC's, although the required information IS correctly displayed on RCC's website for 4 of the councillors. For 3 of the councillors, there is no information at all on the RCC website. I understand these forms have been submitted to RCC, but have not yet been published. RCC no doubt have many other matters with which to deal in the current circumstances, and the Clerk is aware that this needs chasing up. One solution may be to put them all on the Council's own website in the interim.

I note that the document entitled "The Relationship between the Parties" seeks to set out the roles and responsibilities of the two parties, namely the Parish Council as Trustee and the Wing Community Centre. It quotes from a document entitled "Community Centres run by parish councils as sole trustee", which recognises "the potentially difficult task which Parish Councils face of separating their role as trustee of a community centre from that of their statutory public duties". This is an issue that I raised last year, and it is important that both parties continue to be aware of their respective roles. I note that the Community Fund balance, which last year stood at £8,186, the provenance of which, and control over, was in doubt, has been settled and transferred to the Community Centre.

Apart from items 1 and 2 above, I have been able to answer "Yes" to all the control objectives that I am required to consider. I am required to state why I have ticked "Not Covered" to objective F – Petty cash. It is, quite simply, that the Council does not operate a petty cash system.

This report is based on the evidence made available to me. 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. Consequently the report is limited to those matters set out.

Yours sincerely,



Stuart McDonald ACA
Internal Auditor to the Council
07595 466133

The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2019	Year ending 31 March 2020
1. Balances brought forward	15,116	14,427
2. Annual precept	6,518	6,714
3. Total other receipts	3,078	1,853
4. Staff costs	1,792	4,250
5. Loan interest/capital repayments	0	0
6. Total other payments	8,493	13,184
7. Balances carried forward	14,427	5,560
8. Total cash and investments	14,427	5,560
9. Total fixed assets and long term assets	227,023	227,023
10. Total borrowings	0	0

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2018)*. 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:

<http://www.leicestershireandrutlandalc.gov.uk/uploads/governance-and-accountability-for-smaller-authorities-in-england-2019-sections-1-5-1.pdf>