

Annual Internal Audit Report

Name of council:	Duston Parish Council		
Name of Internal Auditor:	John Marshall	Date of report:	02.06.2016
Year ending:	31 March 2016	Date audit carried out:	02.06.2016

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 the Council on 02 June. Thanks go to Lynn Lavender, Parish Executive Officer and Philippa Page, Deputy Clerk for their time and assistance.

Last year, I identified no audit issues; BDO, as External Auditor raised just one issue, relating to the budget and precept setting process. Having discussed the BDO report with Lynn, I understand that the comment made by BDO was in response to the answer provided by the Council to one of the intermediate audit (extra) questions rather than an identified failing or weakness in the Council's procedures. I am satisfied that the Council's procedures to deliver those work items are sound and fit for purpose.

Indeed, that assessment applies to governance and management arrangements across the piece and it is apparent that the Council is now deriving real benefits from a combination of engaged members supported by knowledgeable and competent professional staff working within a relatively stable organisational structure. With that in mind, the audit did not dwell on or delve into the detail, rather I explored with Lynn and Philippa recent and planned changes and developments together with the systems and strategies employed by the Council to achieve its goals and objectives and made suggestions, an approach that I believe is mutually more fruitful.

That said, there is always scope for improvement and I am pleased to note that the Council is in the process of putting in place a proper internal controls system (as referred to in Financial Regulations and required by the proper practices) involving quarterly financial checks by the appointed Internal Controls Councillor coupled with recording and reporting of the outcomes of those checks to the Finance and Facilities Committee and / or full Council.

Notwithstanding my comments above, I am satisfied that in all significant respects, the objectives of internal control were achieved to an adequate standard throughout the financial year and I have duly completed and signed the Annual Return 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 2015	Year ending 31 March 2016
1. Balances brought forward	999,654	659,818
2. Annual precept	407,460	415,035
3. Total other receipts	637,298	155,405
4. Staff costs	167,348	167,783
5. Loan interest/capital repayments	105,414	121,374
6. Total other payments	1,111,832	264,511
7. Balances carried forward	659,818	676,590
8. Total cash and investments	530,334	585,999
9. Total fixed assets and long term assets	4,127,613	4,197,924
10. Total borrowings	1,930,760	1,887,476