

**ANNUAL REPORT OF THE INTERNAL AUDITOR TO
LONG WHATTON AND DISEWORTH PARISH COUNCIL 2017 - 2018**

I have undertaken an internal audit of Long Whatton and Diseworth Parish Council for the year ended 31st March 2018. My role as internal auditor is to assist the council in fulfilling its responsibility for the prevention and detection of fraud and corruption, errors and mistakes. This is achieved by ensuring that proper systems and financial controls are in place to fulfil this objective.

I have carried out all the tests which have been suggested by the Audit Commission and have completed section 4 of the Annual Return. There are 11 control objectives laid down in Section 4 of the Audit Commission's Annual Return. The internal auditor has to give an opinion as to whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the council.

There is one issue to which I would draw your attention and that relates to Risk Assessment. The internal auditor, in the Annual Return, has to answer whether the council has "assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these." This is normally done by reference to a risk assessment register which has been approved by the council. However I could see no evidence that the council has done this.

I have also agreed with your Clerk that she will provide me with quarterly bank reconciliations and I also recommend that these are also submitted to the Council.

General Comment

As I said in my report to the council last year Section 1 of the Annual Return is the Annual Governance Statement which the council as a whole is responsible for completing. The external auditor can ask for additional documentary evidence to verify that any or all of the assertions made on the statement can be substantiated. I would therefore recommend all members of the council to familiarise themselves with the requirements of section 1 of the Annual Return.

This section is often completed after the internal auditor has completed his/her part and therefore has no way of knowing whether this section has been completed in an accurate manner. Nor does it form part of the role of the internal auditor to verify its accuracy.

Ian Fraser CPFA
30th April 2018

LONG WHATTON AND DISEWORTH PARISH COUNCIL

**APPENDIX TO ANNUAL INTERNAL REPORT
2017/2018**

Internal Control Objective C

This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

There was no evidence within the minutes or otherwise to show that the council had reviewed its risk arrangements or risk assessment policy.

I have therefore answered "No" to this objective.

I have been informed that the council will address this issue at its May 2018 meeting

Ian Fraser CPFA
30th April 2018