

**ANNUAL REPORT OF THE INTERNAL AUDITOR TO  
LONG WHATTON AND DISEWORTH PARISH COUNCIL 2016 - 2017**

I have undertaken an internal audit of Long Whatton and Diseworth Parish Council for the year ended 31<sup>st</sup> March 2017. 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 it concerns the payments regarding the maintenance of the Church clock. There are three invoices during the year made out to the parish council which have been paid by the parish council. The parish council has no financial interest in the Church but, on the face of it, the parish council will reclaim the VAT on this expenditure. I have recommended to your Clerk that advice is sought from the local association as it is my view that the council may be contravening the VAT regulations if VAT is reclaimed.

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**

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  
27<sup>th</sup> April 2017