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## **Independent Internal Audit Service for Parish and Town Councils**

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24<sup>th</sup> April 2018

The Chairman  
Thorney Parish Council  
C/o 9 Laurel Drive  
Thorney  
Cambs PE6 0QT

Dear Sir/Madam

### **INDEPENDENT INTERNAL AUDIT FOR FINANCIAL YEAR ENDED 2018**

I have completed an Independent Internal Audit check for the financial year end March 2018. In the time contracted to me, it is not possible to check every document and so any examples given below are not a comprehensive list. I would also remind the Council that it is not in my remit to check the accuracy of the Council accounts. I was pleased to be able to sign the appropriate section of the Annual Return Form at the completion of my visit.

### **OBSERVATIONS AND RECOMMENDATIONS**

I attach a copy of my completed check list for your information.

### **AGENDAS AND MINUTES**

It is recommended, nationally, that it is best practice for Parish Councils to consider adopting the following (in no particular order of importance):

- (a) Under the new GDP regulations allotment holders should only be referred to as "plot (number) holder"
- (b) Care should be taken to always Minute the actions taken by a councillor who has declared an interest when the meeting reaches the appropriate item as it is the only written evidence the Councillor has should there be a complaint to the Monitoring Officer.
- (c) In an effort to assist the Council to shorten their meetings it is now recommended as best practice that the Clerk should remove any item heading from the agenda if she/he has not been notified of any business to be discussed when preparing the Agenda. This will prevent any discussion or decisions being made illegally. If the Council decide they wish to keep the current system then it is important to note "none" in the minutes for clarification.
- (d) When minuting the resolution to approve spending on a project it is best practice to note if quotes were needed and sought for the purposes of obtaining best value, the name of the approved supplier, the amount to be spent and whether it includes or excludes VAT , whether any risk assessment needs to be undertaken etc.
- (e) It would also be useful to have an extra column in the minutes that could note by subscript each individual statutory power that was being used for each purchase or

project. The subscript could then be listed at the end of the minutes with a note of the relevant legislation i.e. Section 137 of the Local Government Act 1972. Any spending under this power must be minuted by law and it would have been automatically done and at the same time it will be helping the whole Council to ensure they are not undertaking any illegal activity.

For example:

#### DONATION TO CHURCH PROPERTY

Please note that national advice has now established that Section 8 of the Local Government Act 1984 expressly prohibits parish councils funding church buildings including community spaces within the church.

#### ASSET REGISTER, RISK ASSESSMENT & RISK MANAGEMENT

The Asset Register needs to become the backbone of the Council database. It would be prudent to consider giving each asset its own unique reference number, location, approx. date of purchase and value at acquisition (this can either be guessed or use the current value), insurance replacement value. The summary of the value at acquisition column then becomes the fixed asset value declared on the Annual Return Form. The insurance replacement value column then becomes the figures you review when renewing insurance.

Once this is completed this database can then be extended to undertake a risk assessment of each item. Is bench 24 due for renewal? How likely is it to be damaged which will then dictate how often it should be inspected (twice a year?). The Risk Management would then have columns to dictate when those two inspections would take place (May and October?). Who would be delegated to undertake them. Create an inspection log form for that person to complete. Once completed would be presented to the Council to minute inspection had been undertaken and what remedial action was to be put in place. Keep all inspection logs for the statutory period required. Etc..

This whole exercise will then give adequate written evidence that Risk has been considered. Then an automatic system can be built up to review other activities that are taking place on your land i.e. Fetes, litter picking, Christmas tree festival making sure reference to your assessments and actions are adequately minuted as evidence.

Currently Peterborough City Council are responsible for the play equipment, but if you do ever acquire your own play equipment it will be easy to slot it into your existing systems.

#### CONTRACTORS

When engaging contractors it is important to ensure they are qualified to undertake the work they are required to do and that they have their own public liability insurance and observe health and safety issues etc.

#### CHEQUE STUBS

Not all cheque stubs have been initialed by those Councillors who signed the cheques.

#### EMPLOYMENT

Staff contracts and job descriptions should be reviewed and updated. When there are any changes approved by the Council such as salary, hours, etc. these should not only be noted in the Minutes as if the Council and Staff were to enter into a legal dispute the item in the Minutes will only be considered as a "wish that it be so". The only legal basis of employment would be the wording within the actual contract and job description – so these need to be updated after the relevant meeting and presented to the next Council meeting for the Chairman to sign and date. The employee should then sign them and file.

#### REGISTER OF INTEREST FORMS

Two councillors have not completed the section regarding land interest within the parish.

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I trust that the Parish Council have been satisfied with the level of service we have provided and that they will consider appointing Canalbs Ltd to undertake the Independent Internal Audit for the next financial year.

Please note that our charges for the next financial year will remain at £42.50 per hour, and, in line with Inland Revenue our mileage rate is 45p per mile.

Yours faithfully

Jacquie Wilson (Mrs)  
Director