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To: The Chairman, Crosby Ravensworth Parish Council
cc: the Clerk to Crosby Ravensworth Parish Council
for the attention of Crosby Ravensworth Parish Council

Internal Audit 2017-18

Following my appointment on 5 February, and as indicated in the audit plan for the current year, I have carried out an initial review of the Council's transaction of business, both financial and governmental, since last April.

The last internal audit report to the Council was made on 13 May 2017 in respect of the period ending on 31 March last (copy attached for ease of reference). In that report, several matters were noted, and recommendations made, to which I now turn in the order in which they were made:-

- (i) the appointment of the Clerk as the Council's Responsible Financial Officer. I note that this appointment was made in accordance with the requirement that it should appoint an RFO. However, in transacting its business the Council should **note** that the requirement to do so (and the duties specified for an RFO) assume that the RFO is a distinct post *i.e.* that "the Council" has several members of staff. Where, as is the case for many small Parish Councils, there is just one part-time member of staff, the separation of functions implied in the relevant legislation cannot, in practice, be achieved.
- (ii) a recommendation that the Council's Financial Regulations should be updated. I understand that the Regulations have been reviewed by the Council since the recommendation was made, but that no changes were thought to be necessary. Since such a review should be made within each financial year, the opportunity to consider again whether any changes are desirable (for instance, in respect of banking arrangements) can be taken, if so desired, early in 2018-19.
- (iii) a link to Councillors registrations of interest (which must be published) is said to exist on the Council's website, which I understand to have been Eden District Council's website. I believe that this link is no longer functional. The Clerk is aware of this, and has been in touch with EDC to no effect. The Monitoring Officer is an employee of EDC, and it is that Council's responsibility to publish the information (it is currently in breach of its duty), but I **recommend** that the necessary material should be published on the Parish Council's own website as soon as possible. It may also be appropriate to ask Councillors to review their declarations before they are (re-)published.
I also note here a matter which can give rise to misunderstanding or difficulty. A Councillor is required to register (*i.e.* disclose) not only her/his own interests, but also those of a spouse or partner – "*you are required to give notice to the Monitoring Officer of YOUR interests (i.e. you, the Councillor) and those of YOUR PARTNER (which means spouse or civil partner or a person with whom you are living as husband or wife, or as if you are civil partners) where you are aware of your partner's interests.*"
- (iv) a recommendation in respect of the Council's insurance policies. I have discussed this with the Clerk in the context of the Council's recent review of its Asset Register, and am satisfied that appropriate action is in hand.
- (v) a recommendation that interest received is entered in the cash book on receipt. This is now being done.

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I have discussed with the Clerk the current unsatisfactory position in respect of the Council's Bank accounts, but I am satisfied that the Council has the difficulties with the NatWest Bank in hand, and that it should be possible for the Council to arrive at the end of the current financial year with just three operational accounts (for convenience – Current, Deposit, and Police House), each with three duly authorised signatories. I have also noted that since the Council meeting on 5 February the Clerk has been able to publish a full Bank reconciliation for the third quarter of the year on the Parish website. I have not at this stage carried out any sample transaction checks, but shall of course do so before my next report.

I have also discussed with the Clerk two other matters:-

- (i) the possible devolution from EDC to the Council of services other than footway lighting, in particular the responsibility for managing the playground, but also more generally; and
- (ii) the procedure for applying for a Certificate of Exemption (self certified) from a limited assurance review (*i.e.* external audit) at the end of the financial year. We now have the necessary paperwork. It looks straightforward, and the Council can be reasonably certain of exemption for the year 2017-18.

There are no other items that I need to bring to the Council's attention in this report.



John Bevan