

## Internal Audit Report

(to be read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return)

Name of council:	Oundle Town Internal Audit		
Name of Internal Auditor:	Mrs Tina L Charteress	Date of report:	5 <sup>th</sup> May 2018
Year ending:	31 March 2018	Date audit carried out:	4 <sup>th</sup> May 2018

*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.*

***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 Mayor of the Council:

Thank you very much for the hospitality shown during my visit to conduct the Internal Audit for Oundle Town Council. I was especially pleased to meet Cllr Glen and thank him for his interest in the process of Internal Audit.

I examined Book Keeping, Due Process, Risk Management, Budget, Payroll, Asset Control, Bank Reconciliations, Internal Control & Year End Procedures. I also sought evidence that Audit reports from the previous years had been actioned, and that Town Council records are being safely backed up. I explained to the Clerk that I would test Cemetery Management in detail at the next Interim Audit.

Following testing of the financial accounting processes, spot testing various entries and checking VAT, I am pleased to be able to report that I was very pleased with the processes set in place by the Finance Officer. The accounts are very well managed, and the Finance Officer was able to answer all my queries instantly.

I draw the Council's attention to the following comments:

- The Town Council does not have an effective system of Internal Control. The Council needs to widen it's scope on processes checked. It does not check the management of cash handling in The Hub, there is no check on Governance and it is not carrying out it's duty with regards to the management of risk; especially relating to The Hub. This is not a reflection on the Clerk, it is the Town Council's duty to manage Internal Control
- I have recommended to the Clerk that the Town Council delegate authority to her to manage the purchases needed for The Hub; I appreciate there is wording within the Financial Regulations

- I discussed changes in cash management with the Clerk and will test these during my next visit
- Bank balances are not being minuted and I have recommended to the Clerk that for the sake of transparency to members of the public, this is best practise

This report is based on the evidence made available to me. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council in order to detect error or fraud. Consequently the report is limited to those matters set out above.

Yours sincerely,

Mrs Tina L Charteress CiLCA  
 Internal Auditor to the Council  
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The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2017	Year ending 31 March 2018
1. Balances brought forward	279,211	259,339
2. Annual precept	387,885	395,643
3. Total other receipts	190,643	203,915
4. Staff costs	262,861	289,721
5. Loan interest/capital repayments	59,851	31,812
6. Total other payments	275,688	269,845
7. Balances carried forward	259,339	267,519
8. Total cash and investments	258,936	270,420
9. Total fixed assets and long term assets	2,553,313	2,554,532
10.Total borrowings	446,572	435,496

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2017)*. It is a guide to the accounting practices to be followed by local councils, and sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

<http://www.northantscalc.com/uploads/practitioners-guide-2017.pdf>