

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 Council		
Name of Internal Auditor:	Mrs TL Charteress	Date of report:	17.05.19
Year ending:	31 March 2019	Date audit carried put	17.05.19

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 examined Bookkeeping, Due Process, Risk Management, Bank Reconciliations, Internal Control including the control of the "Hub" Float and performed a detailed scan of the minutes via the website. I also sought evidence that previous Audits have been actioned. I spot checked a number of items and sort evidence they were correctly accounted for.

I am very pleased to advise you that I found all very satisfactory and draw your attention to the following comments:

- I was very pleased to note the Town Council's Asset register has been updated
- It was also very pleasing to note the Internal Control System is being carried out correctly and that Town Councillors are adding the "Hub's" cash control onto this process
- I performed a detailed scan of the VAT processes and have made some recommendations to the Finance Officer regarding a quarterly reconciliation against the Trial Balance on the accounting system. The year end VAT figure does not reconcile with the Trial Balance on the accounting system. This is not particularly an issue as the VAT tends to right itself during the year on the accounts system, but I have recommended the Finance Office tries to tally the difference. I have advised both the Clerk and the Finance Officer that they can amend the balance by creating a journal on the accounting system to correct the mismatch. I have also advised them not to spend too much time on this as it could be historic and is not significant
- I discussed the Aged Debtors Analysis and was pleased to find the Clerk and Finance Officer were able to account for all the aged debtors and have plans in place to recover the monies.

I would like to congratulate the Clerk and her staff on the excellent way in which the Town Council is managed and look forward to returning during the year for the Interim Internal Audit.

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,

Tina Charteress

Mrs TL Charteress CILCA
Internal Auditor to the Council
07818 084231
tcharteress@gmail.com

The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2018	Year ending 31 March 2019
1. Balances brought forward	259,339	267,519
2. Annual precept	395,643	451,545
3. Total other receipts	203,915	220,385
4. Staff costs	289,721	244,926
5. Loan interest/capital repayments	31,812	18,999
6. Total other payments	269,845	312,323
7. Balances carried forward	267,519	363,201
8. Total cash and investments	270,420	370,387
9. Total fixed assets and long-term assets	2,554,532	2,558,195
10. Total borrowings	435,496	427,803

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2019)*. It is a guide to the accounting practices to be followed by local councils and it sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

<https://www.northantscalc.com/uploads/practitioners-guide-2019.pdf>