

## Internal Audit Report

Name of council:	Raunds Town Council		
Name of Internal Auditor:	John Marshall	Date of report:	05.06.2019
Year ending:	31 March 2019	Date audit carried out:	05.06.2019

*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. This report is based on the evidence examined and made available to us. It would be incorrect to view internal audit as the detailed inspection of every record and transaction of the Council in order to detect error or fraud. Consequently the report is limited to those matters set out below.*

**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 Chairman of the Council:

I carried out the year-end audit of the Council on 05 June. I met with Kate Houlihan, Clerk to the Council and would take this opportunity to thank Kate and her staff for their time and assistance.

During the course of the preparation for and delivery of the audit, I sought evidence that the previous year's reports from Internal and External Auditors had been properly reported to and actioned by the Council; they had. I also examined the Council's arrangements for the management and control of its business in the areas of bookkeeping, due process (ie compliance with the proper practices as set out in the Practitioners' Guide), risk management, budget setting and monitoring, payroll, asset register, bank reconciliations, internal control, data security and back-up and year-end procedures.

I chose to focus particularly on the Council's compliance with its Policy for Financial (Internal) Control, as this policy expressly calls for an input from me as Internal Auditor together with the Financial Regulations, to check performance against requirements. As a consequence, I would confirm that I examined each of the monthly ICC Control Sheets and found the system to be operating satisfactorily and as intended. I would also draw your attention to the following issue that the Council should consider and address viz;

- the Financial Regulations; these were last reviewed and re-adopted by the Council in 2017. Whilst there is no statutory requirement for periodic reviews, the Regulations would benefit from a review this year, to address some identified anomalies - details of these were left with Kate - as well as incorporating the ICC procedure into FR 2.2 as mentioned in my in-year audit report of January 2019.

**Commented [KH1]:** The anomalies relate to the use of brackets in section 6

Through examination of information provided on the council's website and the inspection of hard evidence and questioning, I tested all of the objectives of Internal Controls that I am required to consider and that are set out in the Annual Governance and Accountability Return (AGAR). Standards of governance and financial management remain high and well above average at this Council, a reflection of the Local Council Award Scheme, Quality Gold Award that the Council has held since 2016. Based on my findings in the areas examined, I am satisfied that in all significant respects the internal control objectives were achieved

throughout the financial year. Accordingly, I have completed and signed off the Annual Internal Audit Report that forms part of the AGAR as required.

John Marshall, CiLCA  
Internal Auditor to the Council  
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The figures submitted in the Annual Return are:

	<b>Year ending 31 March 2018</b>	<b>Year ending 31 March 2019</b>
1. Balances brought forward	548,633	552,569
2. Annual precept	325,845	442,912
3. Total other receipts	131,434	251,785
4. Staff costs	135,830	144,023
5. Loan interest/capital repayments	0	0
6. Total other payments	317,513	335,884
7. Balances carried forward	552,569	767,359
8. Total cash and investments	545,645	754,611
9. Total fixed assets and long term assets	3,859,890	3,948,882
10. Total borrowings	0	0