

Internal Audit Report

(to be read in conjunction with Section 4 of the Annual Return)

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|---------------------------|---------------------|-------------------------|------------|
| Name of council: | Raunds Town Council | | |
| Name of Internal Auditor: | John Marshall | Date of report: | 08.06.2017 |
| Year ending: | 31 March 2017 | Date audit carried out: | 07.06.2017 |

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 Chairman of the Council:

I met with Kate Houlihan, Clerk and RFO on 07 June to carry out the year-end audit of the Council; I would take this opportunity to thank Kate and her staff for their time and assistance.

At the last year-end audit in 2016, neither I nor BDO as External Auditor raised any audit issues. I visited earlier this year on 21 January to carry out some intermediate audit work on the Council's policies and procedures and my report of 24 January raised some issues, all of which have been properly considered and addressed by the Council, as confirmed in the e-mail to me from the Clerk of 08 March 2017.

Prior to this visit, I perused last year's Minutes and associated documents via the Council's website to apprise and update myself on the year's events, including the income and expenditure and other activities. I then carried out a full compliance audit by way of questioning and the examination of hard evidence, in respect of all the objectives of internal controls that I am required to test. It is pleasing to be able to report that this year, I again identified no audit issues.

This is very much to the Council's credit and is the clear outcome of a combination of engaged elected members working with a knowledgeable, experienced and efficient Clerk and her team. Sound and effective policies and procedures are in place to manage, monitor and control delivery of the Council's business going forward and I observed that standards of governance and financial management remain above average. Accordingly, I have completed and signed off section 4 of the Annual Return as required.

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

| | Year ending 31 March 2016 | Year ending 31 March 2017 |
|--|--------------------------------------|--------------------------------------|
| 1. Balances brought forward | 405,891 | 498,346 |
| 2. Annual precept | 285,561 | 305,017 |
| 3. Total other receipts | 189,180 | 194,411 |
| 4. Staff costs | 124,385 | 139,817 |
| 5. Loan interest/capital repayments | 21,618 | 0 |
| 6. Total other payments | 236,283 | 309,324 |
| 7. Balances carried forward | 498,346 | 517,362 |
| 8. Total cash and investments | 495,315 | 495,315 |
| 9. Total fixed assets and long term assets | 3,676,156 | 3,765,147 |
| 10. Total borrowings | 0 | 0 |

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>