

Internal Audit Report

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

Name of council:	Raunds Town Council		
Name of Internal Auditor:	John Marshall	Date of report:	21.06.2016
Year ending:	31 March 2016	Date audit carried out:	21.06.2016

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 carried out the year-end audit of Raunds Town Council on 21 June; thanks are due to Kate Houlihan, Clerk to the Council and her staff for their time and assistance.

Prior to the audit visit, I was able to scrutinise all of the Council's key policies and procedures displayed on the Council's website and found them to be fit for purpose. I am aware of the Council's document entitled 'Internal Audit Service – Terms of Reference' and mindful of that, this audit did not dwell on or delve excessively into the detail, rather I explored with Kate the outcomes of those policies, procedures and systems to provide an assurance report to the Council, an approach that I believe in this situation is mutually more fruitful.

Through a combination of questioning and the examination of hard evidence, I tested the areas of;

- financial recording and reporting including VAT recovery,
- governance and due process including record keeping and the preparation, maintenance and updating of policies and procedures,
- risk management including the adequacy of the insurance cover held by the Council and asset recording and control,
- budgeting, precepting and periodic financial monitoring including internal controls procedures (that I found to be robust and thorough) and budget review,
- the Council's banking arrangements and the levels of earmarked and non-earmarked financial reserves held and
- employment issues including contracts and the proper payment of PAYE / NI.

It is apparent that the Council derives real benefits from a combination of engaged members supported by knowledgeable and competent professional staff working within a relatively stable organisational structure; the governance standards are high and the financial management arrangements are sound. I tested all the aspects of the Council's internal controls that I am required to consider at Section 4 of the Annual Return and have signed the 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 2015	Year ending 31 March 2016
1. Balances brought forward	383,736	405,891
2. Annual precept	277,244	285,561
3. Total other receipts	107,360	189,180
4. Staff costs	99,485	124,385
5. Loan interest/capital repayments	27,418	21,618
6. Total other payments	235,546	236,283
7. Balances carried forward	405,891	498,346
8. Total cash and investments	368,772	495,315
9. Total fixed assets and long term assets	3,657,926	3,676,156
10. Total borrowings	25,289	0