

Internal Audit Report

Name of council:	Raunds Town Council		
Name of Internal Auditor:	John Marshall	Date of report:	25.01.2019
Year ending:	31 March 2019	Date audit carried out:	22.01.2019

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 an in-year audit of the Council on 22 January. I met with Kate Houlihan, Clerk to the Council and would take this opportunity to thank Kate for her time and assistance.

Last year's audit was the first under the new national audit regime which also included a change of External Auditor from BDO to PKF Littlejohn (PKFL). These were significant changes. The new regime involved a shift in emphasis from the traditional audit to a lighter touch 'limited assurance review' and there were some differences in interpretation and approach between the previous and the new audit provider; together, these led to some very different outcomes from those expected and seen in previous years. The NCALC Internal Audit Service reviewed the previous year's audit experience with PKF Littlejohn at a meeting in December and I took the opportunity to share with Kate the issues discussed at that meeting, especially the 'lessons learned' at least one of which affected Raunds TC directly. I note that the issue relating to the accounting implications surrounding automatic eg direct debit payments at or near the 31 March year-end that was the subject of discussion with PKFL last year has been addressed and resolved and I trust that having knowledge of the other issues identified by PKFL will be helpful when preparing for this year's audit.

Whilst that discussion formed the focus of this in-year visit, at Kate's request I also reviewed the Council's revised Internal Controls procedure that amongst other things, calls for limited checks and explicit sign-off by the Internal Auditor. I confirm that that procedure will form part of my year-end audit that we have arranged for 05 June 2019.

John Marshall
Internal Auditor to the Council
07505 139832
wjm.marshall1@gmail.com