

Annual Internal Audit Report

(to be read in conjunction with the Annual Internal Audit Report in the
Annual Governance and Accountability Return)

Name of council:	Northampton Town Council		
Name of Internal Auditor:	Mrs TL Charteress	Date of report:	6 th June 2023
Year ending:	31 March 2023	Date audit carried out:	2 nd June 2023

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 council through its staff and management and not left for internal audit. 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. This report is based on the evidence made available to me and 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 Mayor of the Council:

Thank you very much to the Town Clerk & Finance Officer for supplying me with the information I requested to carry out this Annual Internal Audit. I have met with both officers via video call and conducted the audit remotely.

Results

The work completed is identified in the table below and action required is highlighted:

Area of Work	Observations/Points
Adoption of Policies	A review is currently being conducted of all key policies
Accounting Records	<p>The Accounts were properly maintained during the financial year and the correct carry forward figure was rolled over.</p> <p>I note the Council tightened up processes relating to the Mayor's charitable proceeds by deciding to open a second bank account which was approved at the Policy & Finance Meeting in April 2022, this was discussed again at the November meeting of the Accounts Sub-Committee following difficulties opening the account, and an account is yet to be opened. The Mayor's Charity funds are sitting in the Council's bank account and are separately detailed.</p> <p>The Council resolved to move money into a CCLA investment account and delegated power was given to the Town Clerk to manage a constant balance of £100,000 in the current account</p>

Asset Register	The Asset Register was reviewed and approved at the Policy & Finance Sub-Committee meeting in October and appears to be an accurate reflection of Council owned assets
Bank reconciliations	Bank reconciliations were reviewed and confirmed to be done on a regular basis with due care and attention and were reported to the Accounts Sub-Committee. Bank balances were confirmed to statements as at the 31 st March 2023
Budget	The Town Council followed due process for the agreement of the Budget of £2,139,337.00 at the full Council meeting in January
Due process	The Council agreed to use a credit/debit card in April 2022 to prevent using the goodwill of staff to make purchases
Earmarked Reserves	I am advised by the Clerk that Earmarked Reserves were agreed by full Council as part of the budget resolution and the detail was presented as part of a comprehensive budget report NOTE: The Council has a duty to be transparent and Earmarked Reserves detail should be Minuted and agreed as a separate resolution
Insurance	Insurance cover was reviewed and appears to be appropriate & adequate and was paid to BHIB in May 2022
Internal Control	The Internal Control process started well at the beginning of the financial year and was reported to the Accounts Sub-Committee in detail. The process provided excellent scrutiny of the accounts which was detailed in the Minutes NOTE: Internal Control seems to have dwindled during the year despite the Financer Officer making Cllrs aware of its necessity. There were no Internal Control checks made during May – October 2022. I am aware of recent changes to this process however I raised this matter in my Internal Audit Report last year and would ask that Council address this as a matter of urgency
Minutes of Meetings	Minutes were reviewed and were found to be in good order
PAYE	Payments to HMRC are being paid monthly and are following correct procedures
Payments	Payments followed due process and have been accounted for correctly
Precept	The Town Council followed the correct procedure to agree the Precept Demand of £1,807,837.00 at the January full Council meeting
Risk Assessments	The Town Council's Risk Register was reviewed in November at the Policy & Finance Sub-Committee and Members agreed to review the Strategic Risk Register quarterly
VAT return	The balance as at 31 st March 2023. No errors were observed.
Website	The website needs attention: NOTE: There are many duplicated items and this is in some part, because of inconsistent labelling. Minutes produced are missing some Appendix, and the detailed Internal Audit Reports have not been published
Year-end procedures	Year-end procedures were carried out in the correct manner.

Summary

In my opinion the Council's books and records are in very good order and follow due process in all elements.

I wish the Town Council a very successful 2023/2024 and look forward to returning in 2024 to carry out the Annual Internal Audit.

Yours sincerely,

Tina Charteress

Mrs Tina L Charteress CiLCA
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The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2022	Year ending 31 March 2023
1. Balances brought forward	75,186	1,158,435
2. Annual precept	1,775,500	1,793,300
3. Total other receipts	6,000	282,961
4. Staff costs	232,412	399,863
5. Loan interest/capital repayments	0	0
6. Total other payments	465,839	831,207
7. Balances carried forward	1,158,435	2,003,626
8. Total cash and investments	1,192,853	1,974,639
9. Total fixed assets and long-term assets	9,957	23,814
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 (2020)*. 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-2020-2.pdf>

