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| **Northants CALC** | **IAS** |

**Annual Internal Audit Report**

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

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| Name of council: | Northampton Town Council |
| Name of Internal Auditor: | Mrs TL Charteress | Date of report: | 3rd May 2022 |
| Year ending: | 31 March 2022 | Date audits carried out: | 27th September 20211st February 20223rd May 2022 |

*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 Finance Officer and Town Clerk for supplying me with the information I requested to carry out the Annual Internal Audit. This Audit has been carried out remotely.

**Results**

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

|  |  |
| --- | --- |
| **Area of Work** | **Observations/Points** |
| Adoption of Policies | Key policies were adopted in April 2021 and have been reviewed throughout the year as the Town Council is establishing due process. |
| Accounting records | The Accounts were properly maintained during the financial year and the correct carry forward figure was rolled over. Debtors & Creditors were scrutinised with no areas of concern |
| Asset register | The Asset Register is an accurate reflection of council owned assets and agrees to the Annual Return as presented |
| Bank reconciliations | Bank reconciliations were reviewed and confirmed to be done on a monthly basis with due care and attention. Bank balances were confirmed to statements as at the 31st March 2022. |
| Budget | The Town Council agreed a Budget at the meeting held on the 24th January 2022 following detailed budget discussions at the Policy & Finance Committee. **NOTE: the budget for 2022/2023 is not displayed on the Town Council website finance page** |
| Earmarked Reserves | Earmarked Reserves were agreed at the Policy & Finance Committee in October 2021 and are noted on the year-end Balance Sheet |
| Insurance | The Town Council’s insurance policy is with BHIP and cover appears to be adequate |
| Internal Control | Internal Control processes were reviewed at the February Policy & Finance Committee following the Interim Internal Audit report. A formal checklist is being created and all Cllrs are being encouraged to participate in Internal Control |
| Minutes of Meetings | Minutes were reviewed and no issues were identified |
| PAYE | Payments to HMRC are being paid monthly and are following correct procedures |
| Precept | The Town Council agreed a Precept Demand at the January Town Council meeting |
| Risk Assessments | The Town Council’s Risk Assessments have been reviewed to ensure that due consideration has been given to identify the key and significant risks. The document is confirmed to be reasonable, and safeguards are in place which are appropriate |
| Trial Balance | The Trial balance was reviewed. Balances were confirmed to bank account statements for 31st March 2022 and VAT was verified. |
| VAT return | The balance as at 31st March 2022. No errors were observed |
| Website | **NOTE: the Town Council needs to ensure the council’s website complies with the Transparency Code 2015 for larger councils.** **The Finance pages have not been updated since September 2021** |

**Summary**

In my opinion the Council is keeping their books and records in very good order and is following due process in all elements.

I wish the Town Council a very successful 2022/2023 and look forward to returning later in the year to carry out the Interim Internal Audit.

Yours sincerely,



Mrs Tina L Charteress

Internal Auditor to the Council

07818 084231

tcharteress@gmail.com

The figures submitted in the Annual Governance and Accountability Return are:

|  |  |  |
| --- | --- | --- |
|  | **Year ending31 March 2021** | **Year ending31 March 2022** |
| 1. Balances brought forward
 | 0 | 75,186 |
| 1. Annual precept
 | 0 | 1,775,500 |
| 1. Total other receipts
 | 80,789 | 6,000 |
| 1. Staff costs
 | 0 | 232,412 |
| 1. Loan interest/capital repayments
 | 0 | 0 |
| 1. Total other payments
 | 5,603 | 465,838 |
| 1. Balances carried forward
 | 75,186 | 1,158,436 |
| 1. Total cash and investments
 | 80,789 | 1,192,853 |
| 1. Total fixed assets and long-term assets
 | 0 | 9,957 |
| 1. 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>