

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:	7 th May 2024
Year ending:	31 March 2024	Date audit carried out:	7 th May 2024

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 & RFO 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 of policies was conducted at the May meeting of the Policy & Finance Committee meeting. The Minutes of which were received at full council in July 2023 and decisions adopted accordingly
Accounting Records	The Accounts were properly maintained during the financial year and the correct carry forward figure was rolled over.
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 2024

Budget	The Town Council followed due process for the agreement of the Budget of £2,064,077.00 at the full Council meeting in January. Progress against the budget was regularly monitored through the Accounts Sub-Committee
Due process	The Council agreed to use a credit card in April 2022 to prevent using the goodwill of staff to make purchases. NOTE: Control of this process was tested and found to be very good
Earmarked Reserves	Earmarked reserves were reported to full council at the January meeting
Insurance	Insurance cover was reviewed and increased slightly due to some key factors being updated
Internal Control	Internal Control was found to be regular with reports being made to the Policy & Finance Committee. NOTE: It was pleasing to read that an internal payroll check had been set up by officers to ensure hours worked were paid correctly in accordance with calculations
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 £1,811,000.00 at the January full Council meeting
Risk Assessments	The Town Council's Risk Register was regularly reviewed at the Policy & Finance Sub-Committee
VAT return	The balance as at 31 st March 2024. No errors were observed, and the balance corrected following the Interim Internal Audit; the issue just being date related
Website	For transparency the website needs to show Terms of Reference for committees & sub-committees and schemes of delegation. NOTE: the Clerk has advised this will be attended to as soon as possible
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 2024/2025 and look forward to returning later in 2024 to carry out the Interim Internal Audit.

Yours sincerely,

Tina Charteress



Mrs Tina L Charteress CiLCA
Internal Auditor to the Council
07818 084231
tcharteress@gmail.com

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

	Year ending 31 March 2023	Year ending 31 March 2024
1. Balances brought forward	1,158,435	2,003,626
2. Annual precept	1,793,300	1,807,837
3. Total other receipts	282,961	248,888
4. Staff costs	399,863	498,439
5. Loan interest/capital repayments	0	0
6. Total other payments	831,207	904,321
7. Balances carried forward	2,003,626	2,657,591
8. Total cash and investments	1,974,639	2,672,941
9. Total fixed assets and long-term assets	23,814	74,256
10. Total borrowings	0	00

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>