

# Internal Audit Report

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

Name of council:	Desborough Town Council		
Name of Internal Auditor:	Mrs T Charteress	Date of report:	7th May 2017
Year ending:	31 March 2017	Date audit carried out:	28 <sup>th</sup> April 2017

*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:

Thank you very much for the hospitality shown during my visit to conduct the Internal Audit for Desborough Town Council.

I examined Book Keeping, Due Process, Risk Management, Budget, Payroll, Asset Control, Bank Reconciliations & Year End Procedures. I also sought evidence that Audit reports from the previous years had been actioned, and that Town Council records are being safely backed up.

I would draw your attention to the following comments:

- Whilst I am aware that the Council has a robust system of Internal Control it is not evidenced in the minutes
- The Accounting Statement was £1 out on calculation; the Clerk has rectified this error following a discussion with BDO
- I have advised the Clerk to detail more information on the agenda to assist Councillors with their meeting preparation and to ensure clarity for resolutions
- The Town Council has no statutory duty to earmark funds for the year 2016/2017 however I would expect to see a reserves policy to detail earmarked funds for 2017/2018; this is because the Council's financial position has significantly changed and is good practise

May I take this opportunity to congratulate the Clerk on the excellent job he is doing for Desborough Town Council under some very difficult circumstances. I look forward to visiting next year when many of your new projects will be underway.

This report is based on the evidence made available to me. 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. Consequently, the report is limited to those matters set out above.

Yours sincerely,

Mrs Tina L Charteress CiLCA  
Internal Auditor to the Council

The figures submitted in the Annual Return are:

	<b>Year ending 31 March 2015</b>	<b>Year ending 31 March 2016</b>
1. Balances brought forward	26,721	21,835
2. Annual precept	67,000	350,000
3. Total other receipts	31,755	37,435
4. Staff costs	27,438	42,154
5. Loan interest/capital repayments	0	0
6. Total other payments	76,203	76,342
7. Balances carried forward	21,835	290,774
8. Total cash and investments	21,835	290,774
9. Total fixed assets and long term assets	46,527	44,702
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 (2017)*. It is a guide to the accounting practices to be followed by local councils, and sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

<http://www.northantscalc.com/uploads/practitioners-guide-2017.pdf>