

Annual Internal Audit Report

Name of council:	Higham Ferrers Town Council		
Name of Internal Auditor:	John Marshall	Date of report:	15.05.2019
Year ending:	31 March 2019	Date audit carried out:	15.05.2019

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. It is important to note that managing the council's internal controls is a day-to-day function of the council through its staff and councillors and 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 Chairman of the Council:

I carried out the annual audit of Higham Ferrers Town Council on 15 May; I would take this opportunity to thank the Clerk / RFO, Sandra Mitcham for her time and assistance.

During the course of the 2 audits this year, I have examined the Council's arrangements for the management and control of its business in the areas of bookkeeping, due process (ie compliance with the proper practices as set out in the Practitioners' Guide), risk management, budget setting and monitoring, payroll, asset register, bank reconciliations, internal control, data security and back-up and year-end procedures.

I also sought evidence that the previous reports from Internal and External Auditors had been properly reported to and actioned by the Council; they had. Today's audit concentrated on the Council's Financial Regulations. I compared key requirements against what was delivered, to ensure that actual outputs matched the standard expected. I identified 3 minor issues, viz:

- reg 2.2, where the requirement for the Internal Controls Councillor to sign the documentation after checking has, on occasions been overlooked
- reg 4.9 where the annual review of earmarked reserves should be explicitly mentioned in the budget reporting, to demonstrate that the Council has noted and approved this aspect of the budgetary control process and
- regs 5.3 and 6.4 where the terminology needs updating to reflect current job titles and post-holders

I would emphasise that these are minor issues; indeed, I am pleased to say I discovered a very high standard of compliance, an outcome that provides assurance for the Council (both its members and staff) and the public that management of the Council's finances is in very good order.

This report is based on the evidence made available to and seen by me and consequently, the report is limited to those matters set out above. Through examination of information provided on the Council's website and the inspection of hard evidence and questioning, I tested all of the objectives of Internal Controls set out in the Internal Audit Report, part of the

Annual Governance and Accountability Return (AGAR). The Council continues to consistently exhibit above average standards of governance and business delivery and I am satisfied that in all significant respects, the internal control objectives have been achieved by the Council throughout the audit year. Accordingly, I have completed and signed off the Annual Return (AGAR) as required.

John Marshall, CiLCA
Internal Auditor to the Council

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The figures submitted in the Annual Return are:

	Year ending 31 March 2018	Year ending 31 March 2019
1. Balances brought forward	699,961	774,237
2. Annual precept	340,000	365,000
3. Total other receipts	155,642	111,069
4. Staff costs	111,030	122,826
5. Loan interest/capital repayments	0	0
6. Total other payments	310,335	316,393
7. Balances carried forward	766,935	811,087
8. Total cash and investments	692,010	797,049
9. Total fixed assets and long term assets	2,380,421	2,402,513
10. Total borrowings	0	0