

In-year Internal Audit Report

Name of council:	Higham Ferrers Town Council		
Name of Internal Auditor:	John Marshall	Date of report:	20.02.2017
Year ending:	31 March 2017	Date audit carried out:	17.02.2017

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. 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 an in-year audit of Higham Ferrers Town Council on 17 February; I would take this opportunity to thank the Clerk, Sandra Mitcham for her time and assistance.

The audit focussed primarily on governance issues and consisted of an examination of a sample of Council Agendas, Minutes, policies and procedures and other documents selected at random followed by a comparison of Agendas and Minutes against legal requirements and a testing of the practical application of the selected policies.

Whilst I made a number of observations, it is important that these are placed in the correct context. To that end, I would emphasise that the Council's administration is well organised and efficiently led and the Council continues to exhibit standards of compliance and governance well above average; that is the context in which my comments should be read.

I noted the following;

- whilst the Council has addressed the Openness legislation that permits recording and contemporaneous broadcasting and reporting of Council meetings in Standing Orders, more should be done to publicise this matter to those affected by it ie the press and public. Common methods of achieving this are by way of a statement at the head of the Agenda (an example is given as a post-script to this report), by the Chairman reading a notice to this effect at the commencement of the meeting or by placing a notice on each of the public seats.
- whilst the details of all payments are made available to Councillors for approval by them at the meeting, the data for payments below £500 is not currently made available or published on the website. In discussion with Sandra, we concluded that adding the data as an appendix to the Minutes was the most appropriate and feasible method of delivering the information.
- the Council has already addressed the needs of disabled members of the public who may wish to attend a Council meeting but are precluded from doing so because of the access stairs to the Council Chamber, but it has yet to consider the reasonable adjustment that it would make in respect of a disabled (elected or prospective) member. Whilst there is no legal requirement to act proactively, the Council would be well advised to consider this matter and plan for such an eventuality.

- the Council should consider whether the Grants Policy would benefit from including details of any topics, areas or circumstances in which the Council would not make a grant and if so, including that pre-emptively in the Policy. Such exclusions are not uncommon and an example from a district council is included in the post-script to this report
- the Council's FOI publication scheme is in need of review and updating to reflect all of the information that is now available via the website
- there is a possible minor conflict between the requirements of the reg 1.13 of the Council's Financial Regulations and the Terms of Reference of the P & R Committee in respect of addressing recommendations in any report from the internal or external auditor

The Council continues to benefit greatly from its knowledgeable and competent staff team that has recently been enhanced by the addition of an Assistant Clerk. Arrangements have been made to revisit on 24 May for the year-end audit.

John Marshall
Internal Auditor to the Council

07505 139832
wjm.marshall1@gmail.com

Post script

1. An appropriate reference to the Regulations at the head of the meeting Agenda may be;

The Public and Press are welcome to attend. Under the Openness of Local Government Bodies Regulations 2014 members of the public are permitted to photograph, film, broadcast and report on the meeting, subject to the efficient running of the business and the meeting not being disrupted.

2. South Northants Council includes the following in its Policy for Community Grants;

What *cannot* be funded:

- *Activities promoting religious or political beliefs.*
- *Improvements to places of worship unless other community facilities are provided.*
- *Capital projects within schools or hospitals.*
- *Projects involving other authorities e.g. Highways.*
- *Projects outside South Northamptonshire district.*
- *Organisations which aim to distribute a profit.*
- *Projects cannot be funded retrospectively.*

The figures submitted in the Annual Return are:

	Year ending 31 March 2015	Year ending 31 March 2016
1. Balances brought forward	709,110	706,297
2. Annual precept	227,500	250,250
3. Total other receipts	173,246	86,705
4. Staff costs	82,908	86,688
5. Loan interest/capital repayments	0	0
6. Total other payments	320,651	318,038
7. Balances carried forward	706,297	638,526
8. Total cash and investments	682,698	633,337
9. Total fixed assets and long term assets	2,213,843	2,301,368
10. Total borrowings	0	0

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Local Councils – A Practitioners’ Guide (England) March 2014*. 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.nalc.gov.uk/library/publications/803-governance-and-accountability-with-appendix/file>

NB Sections 1-4 were updated and re-issued in March 2016 and whilst the requirements are discretionary for this year’s audit, they are mandatory for next year