

Annual Internal Audit Report

Name of council:	Higham Ferrers Town Council		
Name of Internal Auditor:	John Marshall	Date of report:	01.06.2016
Year ending:	31 March 2016	Date audit carried out:	01.06.2016

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 year-end audit of Higham Ferrers Town Council on 01 June; I would take this opportunity to thank the Clerk, Sandra Mitcham for her time and assistance.

I carried out an in-year audit of the Council on 12 February and issued a report dated 14 February; at that visit I confirmed that BDO, as External Auditor raised no audit issues last year and the one minor issue raised by me as Internal Auditor - the need to update Standing Orders to bring them in line with the Openness legislation that permits recording and contemporaneous broadcasting and reporting of Council meetings - has been fully addressed and resolved.

It is apparent that the Council derives real benefits from a combination of engaged members supported by knowledgeable and competent professional staff working within a relatively stable organisational structure; the governance standards are high and the financial management arrangements are sound. That said, there is always scope for improvement and I understand that the outcome of the recent study by LGRC of the Council's administration structure and resources is in the process of being considered by the Council.

With that in mind, the audit did not dwell on or delve into the detail, rather I explored with Sandra recent and planned changes and developments together with the systems and strategies employed by the Council to achieve its goals and objectives and made suggestions, an approach that I believe in this situation is mutually more fruitful.

I remain satisfied that the Council continues to exhibit above average standards of compliance and is well placed to continue that going forward. Accordingly, I have signed off Section 4 of the Annual Return as required. Please do not hesitate to contact me for further advice and assistance, if necessary.

John Marshall
 Internal Auditor to the Council
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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