

## Annual Internal Audit Report

Name of council:	Higham Ferrers Town Council		
Name of Internal Auditor:	John Marshall	Date of report:	27.05.2015
Year ending:	31 March 2015	Date audit carried out:	27.05.2015

*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 27 May; I would take this opportunity to thank the Clerk, Sandra Mitcham for her time and assistance.

The elections of 07 May produced a new Council and consequently several new Council members. All of the Council's key policies and procedures have been scrutinised by me during previous audits and have been found to be fit for purpose. Accordingly, as these remain largely unchanged save for necessary updating to maintain their currency and recognising that some new members may be unfamiliar with the Council's procedures, it was decided, with Sandra to undertake a full and wide-ranging test and examination of the workings and the outcomes of those policies, procedures and systems to provide an assurance to the new Council that all remained in good order.

Through a combination of questioning and the examination of hard evidence, I tested the areas of;

- financial recording and reporting including VAT recovery,
- governance and due process including Standing Orders, record keeping and the preparation, maintenance and updating of policies and procedures,
- risk management including the adequacy of the insurance cover held by the Council and asset recording and control,
- budgeting, precepting and periodic financial monitoring including budget review,
- the Council's banking arrangements and the levels of earmarked and non-earmarked financial reserves held,
- employment issues including contracts and the proper payment of PAYE / NI and
- the appropriate use and renewal of powers available to the council including the General Power of Competence, available to the Council under the Localism Act 2011.

With one minor exception . 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 (see SO 1 q on page 3) . I found the Council remains in good order and fit for purpose. The Council continues to be well served by its knowledgeable and competent Clerk and administrative support staff who, working with Councillors, together demonstrate good organisation and delivery of its core business. I tested all the aspects of the Council's internal controls that I am required to consider at Section 4 of the Annual Return and have signed the Return as required.

Please do not hesitate to contact me for further advice and assistance, if needs be.

John Marshall  
Internal Auditor to the Council

07505 139832  
[wjm.marshall1@gmail.com](mailto:wjm.marshall1@gmail.com)

The figures submitted in the Annual Return are:

	<b>Year ending 31 March 2014</b>	<b>Year ending 31 March 2015</b>
1. Balances brought forward	760,870	709,110
2. Annual precept	190,500	227,500
3. Total other receipts	150,784	173,246
4. Staff costs	77,201	82,908
5. Loan interest/capital repayments	0	0
6. Total other payments	315,842	320,651
7. Balances carried forward	709,110	706,297
8. Total cash and investments	698,858	682,698
9. Total fixed assets and long term assets		2,213,843
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>