

## Internal Audit Report

(to be read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return)

Name of council:	Desborough Town Council		
Name of Internal Auditor:	Josie Flavell	Date of report:	17 June 2019
Year ending:	31 March 2019	Date audit carried out:	17 June 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. 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.

Whilst undertaking the Audit, I examined Asset Control, the remaining unaudited minutes of the council year, i.e. January to April 2019, as well as a thorough scan of the Council website and was pleased to note that everything was in order and up to date. I completed a check of the banking arrangements and internal control procedures and read through the Standing Orders and Financial Regulations. I also examined all areas which were outlined as outstanding or in need of attention from the previous Internal Audit on 08 February 2019 and am pleased to report that all items had been rectified and approved by Council.

I am satisfied with the explanation given concerning reserves and it was noted that due to historical events, the general and ear-marked reserves are still significantly higher than the precept and is required. However, due to this, council should consider creating a 3 to 5 year plan to ensure these reserves are used effectively and to the benefit of the community over the course of time. It was suggested that another public consultation may be of benefit.

Whilst it is not a statutory requirement, it is best practice to hold at the value of at least 50% of your annual precept in a deposit account, to ensure council can continue to provide its services to the community in case of unforeseen financial circumstances.

It was noted that the Clerk has not yet completed a full 12 months employment with Desborough Town Council. However, council should ensure going forward that the Clerk receives an annual appraisal, which is properly recorded.

Again, whilst it is not a statutory requirement, to ensure Council remains transparent, it should ensure that all agendas and minutes are as full and informative as possible. Council should therefore consider including an income table to the agendas and minutes, highlighting all income for the calendar month.

Council have employed a competent Clerk, who I have no doubt going forward, will continue to ensure that all areas of council remain relevant, up to date and pursuant to legislation.

I once again, thank your Clerk for a positive and constructive visit and for their hospitality throughout.

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,

**Josie Flavell** CiLCA  
Internal Auditor to the Council  
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The figures submitted in the Annual Governance and Accountability Return are:

	<b>Year ending 31 March 2018</b>	<b>Year ending 31 March 2019</b>
1. Balances brought forward	290,774	308,261
2. Annual precept	349,700	280,000
3. Total other receipts	17,493	46,742
4. Staff costs	60,688	48,452
5. Loan interest/capital repayments	0	0
6. Total other payments	289,018	68,755
7. Balances carried forward	308,261	517,797
8. Total cash and investments	308,261	517,797
9. Total fixed assets and long term assets	199,260	199,259
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>