

Internal Audit Report

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

Name of council:	Kettering Town Council		
Name of Internal Auditor:	Kate Houlihan	Date of report:	13 May 2022
Year ending:	31 March 2022	Date audit carried out:	13 May 2022

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 council through its staff and management and not left for internal audit. 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:

Firstly, my thanks to Martin Hammond, Town Clerk for his time and assistance during this year's audits.

I first conducted an in-year audit on 17 February 2022, and I am pleased to note that my previous report and recommendations have been considered by the council and a robust action plan put in place.

I subsequently met with the Clerk on the 13th May 2022 to complete the audit work for 2021/2022. Prior to the meeting I reviewed documentation on the council's website and other documents supplied by the Clerk.

During the audit I was able to confirm that appropriate accounting records have been kept and accounting statements are supported by the underlying records. I followed the audit trail for a number of financial transactions, in all cases the audit trail was clear, payments were supported by invoices, appropriate authority was in place to make the payments, and these were matched to bank statements.

I have completed the Annual Internal Audit Report which forms part of the Annual Governance and Accountability Return. As Kettering Town Council was formed on the 1st April 2021, internal control objectives K,M,N which relate to the previous financial year are not relevant and therefore these areas were not covered. I note that Kettering Town Council does not use petty cash.

In the future the council will need to consider reporting on an income and expenditure basis, rather than a receipts and payments basis and this was discussed with the Clerk.

I would like to congratulate Kettering Town Council on a productive first year. The council has put sound governance arrangement in place and is delivering a range of services, including allotments, small grants, markets and community events. The council also administers Kettering Charities for the Poor. I understand that an Events and Communications Officer will be starting shortly, and I am sure this will be of benefit. However, I would suggest that in the coming year the staffing committee considers workflows and capacity. If the council is to move forward with the ambitious objectives identified in the corporate plan it is highly likely that the clerk will need further administrative support.

Should you have any queries please contact me.

I wish the council successful 2022/2023.

Yours sincerely,

K Houlihan

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The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2021	Year ending 31 March 2022
1. Balances brought forward	-	-
2. Annual precept	-	134,000
3. Total other receipts	-	13,583
4. Staff costs	-	18,611
5. Loan interest/capital repayments	-	0
6. Total other payments	-	95,168
7. Balances carried forward	-	33,804
8. Total cash and investments	-	33,804
9. Total fixed assets and long-term assets	-	201,919
10. Total borrowings	-	0

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2020)*. It is a guide to the accounting practices to be followed by local councils and it sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

<https://www.northantscalc.com/uploads/practitioners-guide-2020-2.pdf>