

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:	30 April 2025
Year ending:	31 March 2025	Date audit carried out:	29 April 2025

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 Chair of the Council:

I completed the year-end audit for Kettering Town Council on 29 April 2025. I would take this opportunity to thank Martin Hammond, the Clerk, for his help and assistance.

To complete the audit, I:

- Reviewed documents supplied by the Clerk, both prior to and following the audit meeting.
- Examined information available on www.ketteringtowncouncil.gov.uk
- Reviewed a read-only copy of Scribe, the councils accounting system.
- Completed an in-year audit in February 2025 (see my Interim Report dated 11 February 2025.)
- Met with the Clerk on 29 April 2025.

I noted the Finance and Governance Committee have already addressed the three recommendations raised in my Interim Report.

- **Kettering Town Lottery:** The council will attempt to increase participation and then

review the position in twelve months.

- **Council Reserves:** The council plans to open a new bank account for general reserves offering a higher rate of return. The Clerk will investigate and report to the council accordingly.
- **Election Reserves** the council will increase the contribution to election reserves to £21,000 per annum from 2026-2027.

During my visit I reviewed the year-end accounting statements, the bank reconciliation and the asset register. The asset register was reconciled with additions and disposals being clear. The accounting statements had been prepared correctly, and the year-end bank reconciliation was matched to bank statements. I noted that VAT has been regularly reclaimed during the year.

I am pleased to confirm that appropriate accounting records have been maintained, and the accounting statements are supported by underlying records. I am satisfied that effective policies and procedures, together with systems to manage, monitor, and control the Council's business, are in place. Based on the evidence provided to me, I am satisfied that the internal control objectives have been met, and I have completed and signed the Annual Internal Audit Report accordingly.

During my discussions with the Clerk, I understand that he plans to step back from his role during the next twelve months. To date, the council have benefitted from having a highly experienced officer undertake this role. I would therefore recommend that council carefully consider succession planning, and ensure adequate support is in place for the future post holder.

On a more personal note, I would like to thank Martin for his assistance during the audits and wish him well for the future.

Yours sincerely,

Kate Houlihan

Kate Houlihan

Internal Auditor to the Council

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

	Year ending 31 March 2024	Year ending 31 March 2025
1. Balances brought forward	163,968	263,484
2. Annual precept	400,000	490,000
3. Total other receipts	32,285	44,449
4. Staff costs	100,036	119,447
5. Loan interest/capital repayments	0	0
6. Total other payments	232,733	290,197
7. Balances carried forward	263,484	388,289
8. Total cash and investments	262,460	386,501
9. Total fixed assets and long-term assets	762,124	800,036
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 (2024)*. 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://northantscalc.gov.uk/practitioners-guide>.