

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:	01 12 2023
Year ending:	31 March 2024	Date audit carried out:	20 November 2023

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 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 the internal and external audit and to respond to matters brought to its attention by the 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 the Interim Audit.

I carried out an in-year audit in November 2023. To complete my audit work, I visited the council on the 20 November 2023, I also reviewed documentation available on the council’s website including minutes, policies, and finance information. In addition, the Clerk provided me with remote access to “Scribe,” the council’s finance package.

I was able to confirm that appropriate accounting records have been kept and accounting statements were supported by the underlying records. I did not identify any areas of concern during the Interim Audit.

I would draw the council’s attention to the following points.

- Whilst the External Auditor did not raise any issues for the year ending 31 March 2023, the council must publish the report, Section 3 of the Annual Governance and Accountability Statement, (AGAR) on their website. This is detailed in the guidance published with the AGAR.
- The council should adopt an Investment Strategy, this should be in accordance with DLUHC’s statutory Guidance on local government investments. A copy of this guidance has been supplied to the Clerk.

A summary of the evidence reviewed is shown in appendix 1.
Please do not hesitate to contact me if you have any queries relating to this report. I
look forward to meeting with the Clerk in 2024 to complete the audit.

Yours sincerely,

K Houlihan

Ms Kate Houlihan
Internal Auditor to the Council
Yours sincerely,

Appendix 1: Summary of Evidence Reviewed:

<p>A. Appropriate accounting records have been properly kept throughout the year.</p> <p>AND</p> <p>I. Periodic bank account reconciliations were properly carried out during the year.</p>	<p>The council uses Scribe to maintain their financial records. The accounting records are up to date.</p> <p>A sample of transactions for April and October were matched to invoices, bank statement, and records on Scribe. There were no anomalies.</p> <p>Monthly bank reconciliations are carried out. Members verify these.</p>
<p>B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT appropriately accounted for.</p>	<p>The council updated their Financial Regulations in March 2022.</p>
<p>C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</p>	<p>The council reviewed its risk assessment in June 2023.</p>
<p>D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</p>	<p>Budget monitoring is evident through the monthly F&G committee meetings. Regular consideration of reserves can be seen in the minutes of the F&G committee.</p>

<p>E. Expected income was fully received based on correct prices, properly recorded, and promptly banked; and VAT appropriately accounted for.</p>	<p>Income is banked promptly with most payments received online.</p> <p>Robust systems are in place to verify that market income is received in full.</p>
<p>F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for</p>	<p>The council does not operate a Petty Cash system.</p>
<p>G. Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.</p>	<p>Payroll is contracted out.</p> <p>Staff salary payments for October 2023 were checked. All staff were paid at the correct rate in line with their contracts.</p> <p>Tax, NI, and pension contributions are deducted correctly.</p>

<p>H. Asset and investment registers were complete and accurate and properly</p>	<p>The asset register will be reviewed at my next visit.</p>
<p>J Accounting Statements prepared during the year were prepared on the correct accounting basis (Receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.</p>	<p>To be reviewed at next visit.</p>
<p>K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.</p>	<p>Not applicable.</p>

<p>L. The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with any relevant transparency code requirements</p>	<p>Documentation was available on the council's website</p>
<p>In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).</p>	<p>The dates for a period for the exercise of public rights were detailed in the minutes of the Annual Meeting of the Council May 2023. The period ran from 12th June until 21st July 2023. The notice was also available on the council's website.</p>
<p>N. The authority complied with the publication requirements for the prior year AGAR.</p>	<p>Documentation was available on the council's website</p>

O. Trust funds (including charitable) - the Council met its responsibilities as a trustee	N/A
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The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2023)*. 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: [file \(nalc.gov.uk\)](https://www.nalc.gov.uk)