

REDWOD PRYOR LTD

Internal Audit

OAKHAM Town Council

Year Ending 31 March

2018

Internal Auditor: Richard Willcocks

Summary Checklist Report

BASIS OF REPORT

This internal audit report is based upon the National Association of Local Councils (NALC) recommended check-list, introduced in 2016, in conjunction with the Practitioners' Guide to Governance and Accountability in Local Authorities.

The scope of this internal audit is focused on assessing the effectiveness of the Council's internal controls. Where any such controls are found to be deficient, the internal audit will help lead to improvement in those processes.

By applying the principles of internal auditing, outlined in the current Accounts and Audit Regulations and applying the approach to internal audit testing outlined in paragraph 1 above, every effort is made to ensure that all internal audits are conducted with due professional care, integrity and independence. All conclusions derived from the audit are based upon objective and traceable evidence.

NB: It would be incorrect to view internal audit as the detailed inspection of all records and transactions of the council in order to detect error or fraud. It is the periodic independent review of a Council's internal controls resulting in an assurance report designed to improve 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 councilors and not left for internal audit. (Source: Governance and Accountability for Local Councils-A Practitioners' Guide-2014).

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Name of Council	Oakham Town Council	Name of Clerk to the Council	Allison Greaves
No. Of Councillors	12	Name of RFO (if different)	
Quorum	4	Precept (for audit year)	£229,170
Electorate	10,000 (approx.)	Gross budgeted income	£229,170

KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW.

		Adopted	Last Review						Next Review			Recommendations	
			Date	Prepared By	Approved By	Key Changes	On Website	Copy Taken	Due	Key Changes Proposed	Annual Review?		
PPWG = Policies & Procedures Working Group. FMPWG = Financial Matters & Procedures Working Group.													
1.1	Standing Orders	✓	Aug-17	PPWG	②	Minor changes	✓	✓	Aug-18	To consider new model standing orders	✓ ②		
1.2	Financial Regulations	✓	Mar-18	FMPWG	②	As per detail supplied	✓	✓	Mar-19		✓ ②		
1.3	Committee Terms of Reference ③	✓	May-17	Clerk	①	unchanged	✓	✓	Jun-18		✓ ②		
1.4	Risk Assessment ④	✓	Mar-16		②		×	✓	Sep-18	Major review under way	✓ ②	⑥	
1.5	Statement of Internal Control ④	✓	Mar-16		②		✓	✓	Sep-18		✓ ②		
1.6	Complaints Procedure	✓	Apr-11		②		✓	✓			×	⑤	
1.7	Code of Conduct	✓	Mar-14		②		✓	✓			×	⑤	
1.8	Equal Opportunities	✓	Feb-17		②	Initial policy	×	?			×	⑤	⑦
1.9	Reserves Policy	✓	May-17		①	Initial policy	×	?			×	⑤	⑦
1.10	Model Publication Scheme	×					×	×				⑧	

- ① = Annual Meeting
- ② = Council Meeting
- ③ = Committees: Planning Committee, Staffing Committee.
- ④ = Combined into 'Systems of Internal Control' policy document
- ⑤ = Reviewed as and when necessary

⑥ = That Council considers that this key document be uploaded onto the Council website, with the document detailing the date approved and who approved (e.g. approved by Council at meeting of xxx). These documents should also be reviewed annually.

⑦ = Ensure policy listed on the website can be opened to view.

⑧ = That the Council considers introducing a Model Publication Scheme (as per NALC model).

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1. Book-Keeping				Comments & Recommendations
1.1	Ledger maintained & up to date?	Yes	No	The accounts are prepared using the RBS Omega accounts software, are balanced monthly and are up to date to the financial year-end. An annual support contract is in place to ensure the latest version of the accounts software is installed and used.
1.2	Arithmetic correct?	Yes	No	Checks of the computerised accounting system confirmed that the cashbook and other accounts arithmetic were correct.
1.3	Evidence of internal control?	Yes	No	<ul style="list-style-type: none"> • Internal audit • Risk assessment policy • Systems of internal control • Budgetary control and monitoring-monthly • Bank reconciliation review by Council-monthly
1.4	VAT evidence, recording and reclaimed?	Yes	No	The Council can recover VAT through the Local Authorities and Similar Bodies Scheme. A claim for repayment of VAT is made online quarterly. The last VAT return submitted was for the quarter to 31/03/18. Testing on a sample of sales & purchase invoices indicated that VAT has been correctly applied. See 'Transaction Spot Check' section at the end of this report. It is not known if there has previously been a VAT inspection.
1.5	Payments in the ledger supported by invoices, authorised & minuted?	Yes	No	See 'Transaction Spot Check' section at the end of this report.
1.6	Is S137 expenditure separately recorded and within statutory limits?	Yes	No	The Council applies the General Power of Competency, so is not required to record S137 expenditure.
1.7	Is S137 expenditure of direct benefit to the electorate?	Yes	No	N/A.
2. Due Process				Comments & Recommendations
2.1	Standing Orders adopted since 2010?	Yes	No	Standing Orders have been adopted, See: 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW schedule above.
2.2	Standing Orders reviewed at Annual Meeting?	Yes	No	Standing Orders are reviewed at least annually by the Council, which may or may not be at the Annual Meeting. See: 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW schedule above.
2.3	Financial Regulations adopted?	Yes	No	Financial Regulations have been adopted. See: 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW schedule above.

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2. Due Process				Comments & Recommendations
2.4	Financial Regulations properly tailored to Council?	Yes	No	The current Financial Regulations are based on the current NALC model Financial Regulations, adapted to suit the specific needs of the Council. Financial regulations have been updated to comply with the NALC recommendations for internet banking, which the Council now applies.
2.5	Equal Opportunities policy adopted?	Yes	No	An Equal Opportunities policy has been adopted. See: 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW schedule above.
2.6	RFO appointed?	Yes	No	Allison Greaves was appointed as the permanent Clerk to the Council on 13/05/17, which included responsibility as the RFO. Sarah Erwin was appointed as Office Assistant on a permanent contract from 01/04/18, having previously undertaking this role on a temporary contract basis.
2.7	List of member's interests held?	Yes	No	The Clerk maintains the list of member's interests, which is available to view on the Council's website via a link to Rutland County Council's website. The Clerk will issue a reminder annually to members of the Council to keep their members' interest declaration up to date.
2.8	Agendas signed, informative and displayed with 3 clear days' notice?	Yes	No	At least 3 days prior to the Council meeting the clerk prepares and signs the council meeting agenda, which lists matters for discussion and is posted on the Council's website and on the town council's office notice board.
2.9	Purchase orders raised for all expenditure?	Yes	No	Financial Regulations determine how commitment to purchase is made i.e. 10.1: 'An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate'. A procurement review was undertaken in 2015, which made some minor recommendations, but in general effective documentation e.g. letter, email, purchase order or equivalent purchase confirmation, is raised for expenditure, where possible and practical.

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2. Due Process			Comments & Recommendations
2.10	Purchasing authority defined in Financial Regulations?	Yes	<p style="text-align: center;">No</p> <p>The Financial Regulations stipulate that: 4.1: Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:</p> <ul style="list-style-type: none"> • the Council for all items over £5,000. • for expenditures of £5,000 or less in value the Clerk or the duly authorised deputy shall have executive power. • where expenditure is between £2,000 and £5,000 the Clerk to seek approval from at least two appropriate members of the Council. Such expenditure is to be notified to the Council as soon as possible. <p>In addition, for expenditure Financial Regulations state (10.3/11.1):</p> <ul style="list-style-type: none"> • Up to £100, best value to be obtained. • Between £1000, and £5,000, the Clerk shall strive to obtain 3 estimates. • Between £5,000 and £25,000, the Clerk shall obtain 3 quotes. • Exceeding £25,000, The Public Contracts Regulations 2015 to be applied i.e., tenders. <p>Financial Regulations (4.5) also state that: 'In cases of extreme risk to the delivery of Council services or people or property the Clerk may authorise revenue expenditure on behalf of the Council which in the Clerk's judgement it is necessary to carry out. Such expenditure includes repair, or other work to only make equipment or an area safe whether or not there is any budgetary provision for the expenditure, in accordance with the provisions of 4.0 The Clerk shall report such an action to the Chairman as soon as possible and to the Council as soon as practicable thereafter'.</p>
2.11	Legal powers identified in minutes and/or ledger?	Yes	<p style="text-align: center;">No</p> <p>Whilst the applicable legal power is not specifically noted in the minutes or the accounts, it is the responsibility of the Clerk to ensure that the Council applies the correct legal power.</p>

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2. Due Process				Comments & Recommendations
2.12	Committee terms of reference exist and have been reviewed?	Yes	No	<p>In addition to the full Council, which meets monthly, there are the following committees:</p> <ul style="list-style-type: none"> • Planning Committee; meets as and when necessary • Staffing Committee; meets as and when necessary, but at least quarterly <p>Terms of reference have been adopted for each of these committees. See: 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW schedule above.</p> <p>In addition, there are the following Working Groups, each with a specific remit and which meet as and when necessary:</p> <ul style="list-style-type: none"> • Policies & Procedures Working Group. Reports to Council • Promotions & Publicity Working Group. Reports to Council • Recreation & Fitness Centre Working Group. Reports to Council ② • Financial Matters & Procedures Working Group. Reports to Council • Neighbourhood Plan Working Group. Reports to Council ① <p>① = has specific terms of reference; other working groups have generic terms of reference. Working groups submit recommendations to Council and report to Council by updated action plans and agendas. ② = Working group disbanded in 2017.</p>
3. Risk Management				Comments & Recommendations
3.1	Does a scan of the minutes identify any unusual financial activity?	Yes	No	<p>Minutes are prepared for all meetings of Council and committees and which are uploaded onto the Council website following approval at a subsequent Council meeting. No unusual financial activity was found in the minutes reviewed. Minutes for the Council and committees have been uploaded onto the village website up to date for 2018.</p>
3.2	Is an annual risk assessment carried out?	Yes	No	<p>The Council has adopted a 'Systems of Internal Control' document, which covers both risk management and internal control assessment. See 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW schedule above, including minor Recommendation made.</p>
3.3	Is Insurance cover appropriate and adequate?	Yes	No	<p>The insurance is renewed annually on 1st April. Insurance cover is currently placed direct with Zurich for all insurances, with a 5-year contract through to 31/03/19.</p>

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2. Due Process				Comments & Recommendations
3.4	Evidence of annual insurance review?	Yes	Ne	Prior to the renewal of any insurance policies/contracts, the Clerk undertakes a review of insurances and will strive to obtain 3 competitive quotes to ensure that best value is obtained in respect of service levels and premiums. The insurance schedule, together with other policies and procedures is reviewed annually by the Council, prior to renewal.
3.5	Internal financial controls documented and evidenced?	Yes	Ne	Internal financial controls are documented in the Systems of Internal Control document, which covers both risk management and internal control assessment. See 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW schedule above, including minor Recommendation made. In addition, effective and acceptable financial control procedures are operative as stipulated in the Financial Regulations. The procedure manuals for the accounts and the outsourced payroll are adhered to.
3.6	Minutes initialled, each page identified and overall signed?	Yes	Ne	Minutes of all Council and committee meetings are signed by the chair of the meeting (at which the minutes were put forward for approval). Each page of the minutes is identifiable by the unique sequential minute, each page is numbered and signed/initialled by the meeting chair (as above) and dated.
3.7	Regular reporting and minuting of bank balances?	Yes	No	Bank balances and reconciliations for each account are initially reviewed by the Financial Matters & Procedures Working Group (FMPWG) and then presented to Council and minuted accordingly.
3.8	S137 expenditure minuted?	Yes	Ne	N/A. General Power of Competence applied.

4. Budget				Comments & Recommendations
4.1	Annual budget prepared to support precept?	Yes	Ne	A detailed budget is prepared annually by the FMPWG.
4.2	Has budget been discussed and adopted by Council?	Yes	Ne	The FMPWG present the draft annual budget to Council (normally at the October meeting) for an initial review. The budget is then ratified by the Council (normally at its January meeting).
4.3	Any reserves earmarked?	Yes	Ne	The Council had £116,176 earmarked reserves listed as at 31 March 2018. General (free) reserves at the financial year-end were £125,499, representing 54% of the 2017-18 precept of £229,170. The Council has adopted a formal Reserves Policy. See: 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW schedule above.
4.4	Any unexplained variances from budget?	Yes	No	All explained as per the Annual Return and the regular reports presented to Council and committees
4.5	Precept demand correctly minuted?	Yes	Ne	The precept demand of £229,170 (excluding CTSG) was approved by the Council on 11/01/17 and correctly minuted (Minute No: 301/17).

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5. Payroll - Clerk				Comments & Recommendations
5.1	Contract of employment?	Yes	No	Allison Greaves, Clerk and RFO, has a contract of employment, approved by the Council upon appointment on 13/05/17.
5.2	Tax code issued/contracted out?	Yes	No	The Clerk is remunerated through the payroll (outsourced to Buller Davey) and has an applicable tax code.
5.3	PAYE/NI evidence?	Yes	No	The payroll confirmed that the Clerk's salary was subject to PAYE and NI.
5.4	Has Council approved the salary paid?	Yes	No	The Clerk's monthly salary payment is included on the payment list presented to Council for approval.
5.5	Other payments reasonable and approved by Council?	Yes	No	Business mileage and out of pocket expenses are reimbursed to Council employees. Expenses are claimed monthly on an expense claim form, which is approved by the Clerk or a member of Council. All additional payments are included on the monthly expenditure payment listing presented to Council for approval. Business mileage is reimbursed to permanent staff at the current HMRC tax-free limit of 45p per mile. The Council's staging date for pension's auto-enrolment was March 2016 and the Council has enrolled staff into the Local Government Pension Scheme (LGPS), as applicable. The Council considers that it is compliant with the legislative requirements of pensions auto-enrolment and that ongoing pensions administration is now included within the standard monthly payroll routines.

6. Payroll - Other				Comments & Recommendations
6.1	Contracts of employment?	Yes	No	Currently Sarah Erwin, Assistant Clerk is the only other Council employee (see section 2.6 above). Council employees are employed on a permanent basis, work to set hours per week and are paid monthly at an agreed rate per hour.
6.2	Does the Council have employers' liability cover?	Yes	No	The Council has employer's liability cover of £10M.
6.3	Tax code(s) issued?	Yes	No	The payroll confirmed that the Assistant Clerk's salary was subject to PAYE and NI.
6.4	Minimum Wage paid?	Yes	No	All staff are paid above the applicable minimum or living wage.
6.5	Disciplinary, Grievance and Complaints procedures in place?	Yes	No	Disciplinary and grievance procedures are included in the employees' contract of employment. The Council has adopted a Complaints Procedure. See: 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW schedule above.

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7. Asset Control				Comments & Recommendations
7.1	Does the Council keep a register of all material assets owned?	Yes	No	The RFO is responsible for maintaining the manual asset register (in Word format). See update on recommendation made the previous year's internal audit report, in section 10.1 below. Any addition to the asset register is normally based on materiality, rather than a minimum amount.
7.2	Is the asset register up to date?	Yes	No	The asset register, as presented, was up to date as at the financial year-end. i.e. all assets listed. There were nil assets purchased or disposed in the year to 31/03/18.
7.3	Value of individual assets included?	Yes	No	All applicable assets are listed individually in the asset register.
7.4	Inspected for risk and health and safety?	Yes	No	Ad hoc inspection of the Council's assets by the councillors. Play equipment checked quarterly by ROSPA accredited inspectors

8. Bank Reconciliation				Comments & Recommendations
8.1	Is there a bank reconciliation for each account?	Yes	No	Reconciliations are undertaken for the bank accounts held by the Council: <ul style="list-style-type: none"> HSBC Current account; 403521/01500304; bank statements received twice monthly. The main account for cheque DD's and salary payments. The Clerk draws down a statement monthly on-line for this account for reconciliation purposes. Cambridge Building Society Savings account; 1782830432; Used for long term saving. The Cambridge BS account passbook is updated when payments in or out are made. NB: In October 2017 the Council approved the opening of a savings account with the Melton Building Society and for £85k to be transferred from HSBC as an opening balance i.e. up to the Financial Services Compensation Scheme limit . This new account is now expected to be opened in in June 2018.
8.2	Reconciliation carried out on receipt of statement?	Yes	No	The bank and building society accounts above are reconciled individually on receipt of the applicable statement or pass book.
8.3	Any unexplained balancing entries in any reconciliation?	Yes	No	All balancing entries fully explained.

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8. Bank Reconciliation				Comments & Recommendations
8.4	Is the bank mandate up to date?	Yes	No	<p>The HSBC bank mandate was last updated in 14/09/17, nominating 3 Council members as signatories, with any 2 of the 3 signatories required to sign cheques.</p> <p>The Clerk is authorised to sign cheques, but would only do so in an emergency.</p> <p>The Clerk is also recognised by the bank for administrative and communication purposes.</p> <p>The bank mandate is reviewed annually and amended by the Council as and when there is a change of councillor.</p> <p>The 3 authorised signatories on the HSBC mandate were still council members at the financial year end and the mandate was up to date at the financial year end.</p> <p>The Cambridge Building Society savings account requires 3 signatories to authorise withdrawal of funds.</p> <p>See update on recommendation made a previous year's internal audit report, in section 10.1 below.</p> <p>The mandate for the Melton Building Society account is currently being prepared.</p>

9. Year-End Procedures				Comments & Recommendations
9.1	Year-end accounts prepared on correct accounting basis?	Yes	No	Day to day and year-end accounts are prepared on an Income and Expenditure basis.
9.2	Bank statements and ledger reconcile?	Yes	No	A full reconciliation of each bank statement to the corresponding account in the ledger as at 31 st March was prepared and reviewed and was approved by the Council on 11/04/18.
9.3	Underlying financial trail from records to presented accounts?	Yes	No	The RBS Omega accounting system, which was successfully implemented with effect from 01/10/16, provides a satisfactory audit trail to the underlying financial records.
9.4	Where applicable, debtors and creditors properly recorded?	Yes	No	<p>Debtors and creditors are recorded separately and correctly in the accounts.</p> <p>Default payment terms for debtors are 30 days.</p> <p>Default payment terms for creditors are 30 days.</p> <p>There were no unexplained overdue debtors or creditors at the financial year-end.</p>
9.5	Has Council agreed, signed and minuted sections 1 & 2 of the Annual Return?	Yes	No	Section 1-Annual Governance Statement and Section 2-Accounting Statements to be signed by the Council chair at a meeting of the Council convened prior to the submission deadline for the Annual Return of 11/06/18 i.e. pending.

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10. Miscellaneous				Comments & Recommendations		
10.1	Have points raised at the last internal audit been addressed?					
	Ref	Action Recommended				
	8.4 (2)	<u>from Final internal audit report of 21/11/16</u> That the 3 new accounts signatories are agreed and duly notified to the Cambridge Building Society.		Yes	No	CURRENT STATUS Three new account signatories were agreed with the Cambridge Building Society on 25/07/16. Since then it transpired that these signatories need to be amended and the Council has now agreed the 3 signatories, which need to be notified to and approved by the Cambridge Building Society i.e. Cllrs Anne Skipworth, David Romney & Adam Low IN PROGRESS. C/F.
	7.1	The current asset register is maintained as a Word document but would be better suited in Excel format to ensure greater data accuracy.		Yes	No	CURRENT STATUS Work to convert the current asset register into Excel format is currently being considered. PENDING. C/F
10.2	Has the Council adopted a Code of Conduct since July 2012?			Yes	No	The Council has adopted a Code of Conduct. See: 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW schedule above.
10.3	Is eligibility for the General Power of Competence properly evidenced?			Yes	No	The adoption of the power was recorded with appropriate wording by the Council. The Council currently complies with the requirement for 2/3rds of the Council to have been elected. The Council's expectation is that the Clerk will be CILCA qualified within the current life of the Council i.e. to May 2019
10.4	Are all electronic files backed up?			Yes	No	All files are backed up overnight offsite, through the Millennium On-line backup service. In addition, RBS accounts system includes an online offsite backup facility.
10.5	Do arrangements for the public inspection of records exist?			Yes	No	See 'KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW schedule above, including minor Recommendation made re: the introduction of a Model Publication Scheme. Notice of audit displayed as per external audit instructions. Outside of this period, inspection of records can be undertaken by prior appointment.

11. Charities				Comments & Recommendations		
11.1	Charities reported and accounted separately?			Yes	No	The Council does not currently act as trustee for any charity and is not responsible for managing any trust funds or assets.
11.2	Have the Charity accounts been separately audited?			Yes	No	N/A.
11.3	Have the Charity accounts and Annual Return been filed within the legal time limits?			Yes	No	N/A.

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12. Burial Authorities				Comments & Recommendations
12.1	All money received corresponds with the number of burials/cremations recorded and memorial permits issued?	Yes	No	N/A. The Council is not currently a burial authority.
12.2	Are fees levied in accordance with the Council's approved scale of fees and charges?	Yes	No	N/A.
12.3	Have all statutory books been kept safe and up to date? If electronic copies are held, are these backed up regularly?	Yes	No	N/A.
12.4	Do all internment of ashes have a certificate of cremation?	Yes	No	N/A.
12.5	Have the necessary permits, permissions, and transfer of Exclusive Burial Right (EBR) been completed correctly, documented and approved?	Yes	No	N/A.

13. Income Controls				Comments & Recommendations
13.1	Is income properly recorded and promptly banked?	Yes	No	The Clerk is responsible for raising and authorising income invoices and issuing receipts when applicable. Cash and cheques are banked on a regular basis, although most receipts are made direct to the bank account. Outside of the precept most of the recurring income received is for allotments and buildings rents/leases. Income invoices are prepared manually and entered into Scribe when the payment is cleared by the bank. Invoice copies are retained for a minimum of 3 years.
13.2	Does the precept recorded agree to the Council Tax authority's notification?	Yes	No	The precept of £2229,170 was received in a single payment on 11/04/17 and agreed to the Rutland County Council notification.
13.3	Are security controls over cash adequate and effective?	Yes	No	The Clerk is responsible for receiving, balancing and authorising all cash and cheques received. Cash and cheques received are banked on a regular basis. All cash and cheques awaiting banking are kept in a locked cupboard in the Clerk's office.

14. Petty Cash				Comments & Recommendations
14.1	Is all petty cash spent recorded and supported by VAT receipts where applicable?	Yes	No	One petty cash float is operated by the Council, with a maximum float held of £250 (increased from £200 in November 2017) and is used for small value expenditure transactions. Approved petty cash requisitions and VAT receipts are required for all petty cash expenditure and are authorised by the Assistant Clerk.

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14. Petty Cash				Comments & Recommendations
14.2	Is petty cash expenditure reported to Council?	Yes	No	Petty cash expenditure is presented to the scheduled monthly Council meeting for approval on the bank reconciliation report. The petty cash reimbursement cheque is signed by 2 approved signatories.
14.3	Is petty cash reimbursement carried out regularly?	Yes	No	The petty cash float is reconciled and reimbursed (topped up) as necessary, although it is noted that the number of petty cash transactions is small.

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Transaction Spot Check								
Check No.	1	2	3	4	5	6	7	8
Transaction type	Purchase invoice	Purchase invoice	Purchase invoice	Purchase invoice	Purchase invoice	Payroll	Sales invoice	Precept
Supplier/Customer	Wallgate	Oakham Town Partnership	Wickstead Leisure	Setfords Solicitors	PAS Ltd	Allison Greaves	Oakham Studios	Rutland District Council
Invoice/Transaction No.	10365	818	736336 Credit note 902859	146417	2311	Feb-18 payslip	98	
Invoice/Transaction Date	12/04/17	25/05/17	29/09/17 09/10/17	01/12/17	15/01/18	15/02/18	09/01/18	11/04/17
Goods/Services Supplied	Service contract Toilet facilities	Contribution for OTC manager	Play area repairs	Professional charges-lease Fitness Centre	Personal advice services (HR)	Monthly pay	Rent (Fitness Centre)	Precept payment 2017-18
Ledger Date	21/04/17	27/06/17	11/10/17	12/12/17	25/01/18	15/02/18	09/01/18	11/04/17
Ledger Reference	104172	BACS	BACS	BACS	BACS	BACS	-	-
Item/Budget Heading	4215	9360	4330	4095	4105	4000	1120	1076
Payment Method	Cheque	BACS	BACS	BACS	BACS	BACS	Bank payment	BACS
Ref/Cheque No.	104172	-	-	-	-	-	-	-
Authorised By	Council	Council	Clerk	Council	Contract	Council	Clerk	Council
Order Number	contract	Order letter	PO 2017233	Email instruction	Contract	Contractual	Rental agreement	Precept demand
Delivery Evidence	Visual check	Manager in post	Clerk check	Lease operative			Ongoing payment	Funding received
Payment Minute Ref	329/17	371/17	Budgetary authority	Budgetary authority	556/17	46/18	-	-
Insurance Value	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Payments Date	08/05/17	27/06/17	16/10/17	14/12/17	25/01/18	15/02/18	13/02/18	11/04/17
Payment Value	£1848.00	£6000.00	£1759.20	£1020.00	£720.00	£1767.63	£900.00	£229170
Bank Account Paid From/In	Current a/c	Current a/c	Current a/c	Current a/c	Current a/c	Current a/c	Current a/c	Current a/c
Statement No.	377	380	393	397	401	404	Online 01/03/18	375
Statement Value	£1848.00	£6000.00	£1759.20	£1020.00	£720.00	£2406.36 *	£900.00	£229170
Timely Payment	✓	✓	✓	✓	✓	✓	✓	✓
VAT Recorded	£308.00	£0 (N/A)	£293.20	£170.00	£120.00	£0	£150.00	£0
S137 Recorded in Ledger								
S137 Minuted								
Notes						* Includes PAYE/NI		
Pass	✓	✓	✓	✓	✓	✓	✓	✓

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Any further comments

Firstly, I wish to draw the Council's attention to the final paragraph on page 1 of this report, which I trust clearly states again what internal audit is and what it is not. I have also adopted the same approach to the internal audit of Oakham Town Council as I have to all my other local council clients, namely based my observations, opinions and recommendations on the data and other evidence presented to me. This I strongly believe is the best means of achieving the independent objectivity required of an internal auditor.

This internal audit assignment has again comprised two separate reviews:

- An interim internal audit review, with a draft report for review and feedback.
- A final internal audit review and final report.

It is pleasing to report that no significant new recommendations are made in this year's internal audit report, apart from giving consideration to what governance documents are to be made available on the Oakham Town Council website, as per the KEY POLICIES AND PROCEDURES DOCUMENTATION REVIEW schedule above. These minor recommendations are made so that the Council may comply more fully with the Transparency Code.

Two recommendations are outstanding from the previous internal audit report (see section 10.1 above), for which I understand why they are still outstanding and am aware of the actions ongoing to address them.


All of the above should reflect very positively on the quality of work undertaken by the Clerk, who strives to ensure that the Council has sound policies and procedures in place to successfully deliver its activities and responsibilities.

Finally, by examination of hard evidence and questioning, I tested all the Internal Control Objectives that I am required to consider and I am satisfied that in all significant respects, the objectives have been met. To that end, I have completed the Annual Internal Audit Report 3 of the Annual Governance and Accountability Return.

The overall internal audit assurance rating remains as: **GOOD**.

Acknowledgments

The help and co-operation of Allison Greaves Clerk to the Council and Michael Haley, Council Chair, is again much appreciated.

Internal audit carried out by	(signed) 	(print) Richard Willcocks
Audit type (delete as appropriate)	INTERIM ANNUAL	
Date	22/05/2018	

Internal Audit Summary Checklist Report for OAKHAM Town Council

Year Ending: 31 March 2018

For internal auditor's use only	
Section 4 of Annual Return form completed and signed	27/04/2018
Internal audit report sent to Council	22/05/2018

ANNUAL RETURN		Year Ending 31 March 2017	Year Ending 31 March 2018
1	Balances brought forward	£ 185,866	£ 203,693
2	Annual precept	£ 211,635	£ 229,170
3	Total other receipts	£ 20,423	£ 4,163
4	Staff costs	£ 66,013	£ 35,546
5	Loan interest/capital repayments	£ 5,508	£ 5,508
6	Total other payments	£ 142,710	£ 154,297
7	Balances carried forward	£ 203,693	£ 241,675
8	Total cash and investments	£ 197,463	£ 247,335
9	Total fixed assets and long-term assets	£ 1,044,216	£ 1,044,216
10	Total borrowings	£ 31,115	£ 26,169
11	Section 4 Annual return figures completed and cross-referenced.	19/06/2017	27/04/2018