

## Internal Audit Report

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

Name of council:	Oakham Town Council		
Name of Internal Auditor:	Terry Brown	Date of report:	12/6/2021
Year ending:	31 March 2021	Date audit carried out:	May 2021

*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 Chair of the Council:

In accordance with the terms of my engagement I have undertaken a review of Oakham Town Council's records, policies and procedures for the financial year ending 31<sup>st</sup> March 2021 and I enclose a completed and signed Annual Internal Audit Report for the AGAR 2020/21.

The internal audit exercise involves the testing of the evidence of and evidence of compliance with the 15 statements contained in the Annual Internal Audit Report of the Annual Governance and Accountability Return (AGAR)

The statements refer to:

- A. Maintenance of proper financial records
- B. Compliance with the Council's Standing Orders, Financial Regulations and proper accounting for VAT
- C. Adequacy of risk management arrangements
- D. Effective budgeting and budgetary control
- E. Identification of income due and timely collection and banking of such monies
- F. Proper administration of petty cash (where appropriate)
- G. Proper administration of salaries of employees and expenses paid.
- H. Maintenance of an accurate and reliable asset register
- I. The completion of regular bank reconciliations
- J. The correct basis and accurate preparation of year-end accounts
- K. Whether the Council has met its responsibilities as a trustee (where appropriate)
- L. Correctly applying the exercise of public rights during the previous year period.

There is clear evidence that both finance and governance procedures will provide parishioners with confidence in the administration of their Town Council. In general procedures are well organised and efficient.

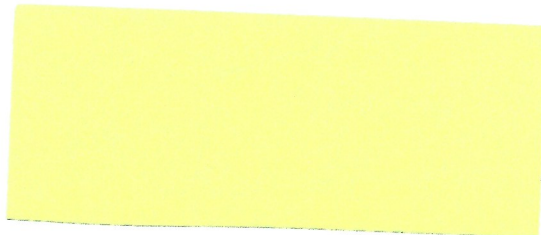
Internal controls are effective and have been robustly adjusted to deal with the consequences of the Covid19 situation. Minutes of both the Council and committees are detailed and yet specific to the agenda item.

The website has been improved since the 2020 Internal Audit and now conforms to the reporting requirements for Transparency. It is encouraging to see that previous recommendations for the improved use of committees, more comprehensive financial reporting and a revision to a Risk policy have been implemented.

I thank the Town Clerk for her help in carrying out this Audit.

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.

Yours sincerely,



Terry Brown  
Internal Auditor to Oakham Town Council on behalf of LRALC  
01476 516366

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

	Year ending 31 March 2020	Year ending 31 March 2021
1. Balances brought forward	256195	323736
2. Annual precept	256180	285069
3. Total other receipts	15909	5871
4. Staff costs	47324	49417
5. Loan interest/capital repayments	5508	5508
6. Total other payments	160716	191702
7. Balances carried forward	323736	368049
8. Total cash and investments	317682	364956
9. Total fixed assets and long-term assets	1044216	1044216
10. Total borrowings	15994	10762

**LRALC Internal  
Audit Service**

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2018)*. 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.leicestershireandrutlandalc.gov.uk/uploads/governance-and-accountability-for-smaller-authorities-in-england-2019-sections-1-5-1.pdf>

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Audit Service**