

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:	10/6/2022
Year ending:	31 March 2022	Date audit carried out:	May/June 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 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 31st March 2022 and I enclose a completed and signed Annual Internal Audit Report for the AGAR 2021/22.

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.

This report is based on a visit to Oakham Town Council offices on Thursday 9th June and an inspection of documents to be found on its website.

Oakham Town Council is one of the larger Lincolnshire Councils with a complement of 13 Councillors and a precept in excess of £250K

Oakham Town Council has endured some significant staffing changes in the past year with a SLCC provided Locum in place for some five months following the resignation of the previous Clerk in September 2021. The current and new Clerk has been in post since January 2022 and has received positive support from Councillors in adapting to his new role. Allied to this is the presence of an assistant Clerk appointed some 12 months ago following a recommendation of a previous LRALC Internal Audit.

This perhaps goes to explain some of the minor discrepancies which have found their way into the accounting systems but which have been resolved by robust year end investigations. However it is to be expected that such mis-postings will not be prevalent in the next Audit session.

The new Clerk with the support of Councillors has taken a sensible approach to the review of current Policies and allocation of roles between Councillors. The Recreation and Planning Committee remains the only Committee with delegated powers but is in operation with a Finance and a Staffing Committee.

The documented system of Internal Control is effective and systematically applied although it is noted that a review of this current policy is under way.

The Asset register has not been updated. Further there is scope for a discussion to be held with Full Council regarding the possible re-examination of assets following the recent receipt of a revaluation document.

There is some degree of variance between actual and budgeted costs not all of which can be explained by the exceptional background that Councils have had to contend with in the previous 12 months. Obviously some high degree of budget accuracy is expected in order to justify the precept demand. Therefore it is recommended this area be subject to review.

Finally in view of past events at the Council it might be appropriate to look at Standing Orders with particular regard to the inclusion in minutes of proposers and seconders to all or some agenda items.

I thank the Town Clerk for his help in carrying out this Audit and wish him well in his Cilca studies.

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
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LRALC Internal
Audit Service