

Meeting: Full Council

Date: 12th December 2023

Author: Town Clerk

Item for Consideration: Appointment of an Internal Auditor

1.0 Background Information

1.1 The Joint Panel on Accountability and Governance Practitioner's Guide states that there is a need to have in place proper practices for the management and preparation of accounting statements, with internal controls to ensure full compliance with laws, regulations and proper practices. This in turn leads to the approval of the Council's Annual Governance and Accountability Return which is submitted to the external auditor each year and is the annual occasion where the council reports publicly on its arrangements for ensuring its business is conducted in accordance with the law, regulations and proper practices, for the safeguard of public funds.

1.2 As part of this, it is essential that the council has a system of internal control which is tested by an internal auditor. The council needs to appoint an internal auditor who will ensure that the council has in place a wide range of effective measures to ensure compliance. They will check that the suitable policies and procedures are in place, that risk assessments and controls focus on the safety of the council's assets, that arrangements are adequate for the order of goods and services, as well as the handling of receipts and managing VAT, the general handling of money, banking arrangements and remuneration to employees.

2.0 Financial Implications

2.1 The annual cost of the external audit, which will be provided by PKF Littlejohn, is £420. When the council's income exceeds £200,000 this will increase to £630.

2.2 The clerk has sought four quotations for internal audit and has received correspondence from three. Two are unable to take on new clients, and one has provided a quote as follows: £750 for a standard internal audit, to be conducted remotely with the provision of a written report for the council on its conclusion. In addition, advice is provided on financial matters throughout the year as part of the free.

3.0 Recommendation

3.1 That Councillors support the recommendation of the Clerk to engage Lightatouch as the Internal Auditor for the year 2023/24.