

**SECTION 1A - To be filled in by submitter of the Motion:**

<b>Report from</b>	Town Clerk
<b>On behalf of</b>	N/A
<b>Date</b>	22 <sup>nd</sup> March 2023
<b>For Meeting of Council/Committee</b>	Full Council
<b>Date of meeting</b>	28 <sup>th</sup> March 2023
<b>Agenda item no.</b>	259/22-23
<b>Confidentiality</b>	N/A
<b>TITLE OF MOTION</b>	<b>APPOINTMENT OF INTERNAL AUDITOR</b>
<b>MOTION(S)</b>	<ol style="list-style-type: none"> <li>1) To receive a paper with proposal to continue with current internal audit provider for 2023-'24 (motion paper shared with Cllrs.).</li> <li>2) To formally appoint the Internal Auditor for 2023-'24.</li> <li>3) To decide to automatically renew the appointment of the chosen Internal Auditor for the following three years (until end '25-'26).</li> </ol>
<b>Background</b>	<p>The Town Council is required to have an internal auditor, in order to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, considering internal auditing guidance for smaller authorities.</p> <p>The Internal Auditor will ensure that all legal and relevant documents, policies, and finances are held or recorded for each financial year. This relates to all activities, services and employment records that the council holds.</p> <p>The coming year two audits are to take place, one in October-November 2023, and one in April/May 2024.</p> <p>Last year, following a discussion on the internal audit for '21-'22 (at <a href="#">Full Council meeting 11<sup>th</sup> May 2022, item 33/22-23</a>), a decision was made to obtain quotes from other internal auditors.</p> <p>At the <a href="#">22<sup>nd</sup> June 2022 Full Council meeting (item 75/22-23)</a> a paper was presented with internal audit options and, based on a consideration of the options available, a decision was made to stay with the same auditor, CAPALC, for '22-'23 internal auditing needs.</p> <p>Costs incurred for internal audit have been:</p> <ul style="list-style-type: none"> <li>- ['21-'22:] Year end audit (April 2022): £148.50.</li> <li>- ['22-'23] Mid-year audit (November 2022): £211.65 – NB: <a href="#">report</a> and <a href="#">associated letter</a>.</li> <li>- The Year end Audit for '22-23 is yet to take place, and is scheduled for 3<sup>rd</sup> May 2023 – it is the expectation that costs will be similar to that incurred for the year end audit in April 2022.</li> </ul> <p>The '22-'23 rates were charged, by CAPALC, at: £30.00/hr (rate for CAPALC affiliated members), plus travel expenses. CAPALC has confirmed (see e.g. announcements in recent monthly e-newsletters) that '23-'24 rates will stay the same as for '22-'23, and – following preliminary discussions (Clerk with the</p>

	<p>CAPALC auditor) - there is no reason to assume that auditing should take any more time than it did in '22-'23.</p> <p>£1,200 has been allocated in the Town Council budget for 2023-'24 for auditing purposes (NB: £880 for '22-'23). NB: This budget is also required to cover the cost of the External Auditor.</p>
<b>Issues/items for consideration by the Council</b>	<p>The Council is requested to consider staying with the current Internal Audit Provider, for the following key reasons:</p> <ul style="list-style-type: none"> <li>- Thorough Internal audits taking place;</li> <li>- Internal audits taking place in person, providing for additional opportunities for detailed discussions where needed;</li> <li>- Clarity of reports and correspondence received;</li> <li>- Confidence from Proper Officer in auditor's expertise and advice provided to the Council;</li> <li>- Very few other organisations offering this service in Cambridgeshire, as demonstrated in last year's quotation exercise (NB: the Clerk is not aware of any new organisations having started offering this in this area).</li> <li>- Good value for money.</li> </ul>
<b>Recommendations</b>	<p>For the Town Council;</p> <ol style="list-style-type: none"> <li>1) To receive a paper with proposal to continue with current internal audit provider for 2023-'24 (motion paper shared with Cllrs.). <ul style="list-style-type: none"> <li>➤ Information as contained in this document.</li> </ul> </li> <li>2) To formally appoint the Internal Auditor for 2023-'24. <ul style="list-style-type: none"> <li>➤ Recommended to formally (re-)appoint CAPALC to carry out internal auditing for Northstowe Town Council for '23-'24.</li> </ul> </li> <li>3) To decide to automatically renew the appointment of the chosen Internal Auditor for the following three years (until end '25-'26). <ul style="list-style-type: none"> <li>➤ To decide to automatically renew for the two years thereafter as well, to reduce administrative work.</li> <li>➤ Then, for '26-'27 and beyond, a renewed quotation exercise could be instigated, to ensure the Council is still receiving good value for money thereafter.</li> </ul> </li> </ol>
<b>Appendices</b>	N/A
<b>Documents:</b>	N/A

**SECTION 1B - To be filled in by submitter of the Motion:**

<b>Input needed from Clerk?</b>	N/A
---------------------------------	-----

**PLEASE NOTE:** Agenda item requests: in order to be considered for inclusion on the agenda, motions with all associated papers *must* be received by the Clerk in a final format at least 7 clear days<sup>i</sup> before the meeting at which you would like your item to be considered – if any input is required from the Clerk please provide sufficient additional time for the Clerk to schedule in for any feedback and/or additional research that may be required.

## SECTION 2 - To be filled in by the Clerk:

Meets/links with Council objectives:	Core work; legal obligations	√
Staffing Implications: <sup>ii</sup>	By automatically renewing with existing Internal Audit provider, this should save administrative time e.g. for obtaining quotes.	√
Volunteer need implications:	N/A	√
Equalities & Human Rights <sup>iii</sup>	There are no equalities and human rights issues Details, where relevant: N/A	√
Crime and Disorder <sup>iv</sup>	Crime and disorder have been considered Details, where relevant: N/A	√
Biodiversity <sup>v</sup>	There are no (negative) bio-diversity implications Details, where relevant: N/A	√
Sustainability	Is in line with the Council's Plastic-Free Pledge – N/A	√
Financial <sup>vi</sup>	There are no financial implications at this stage – N/A	
	There will be financial implications; Details: Yes, see details above	√
	There is provision within the budget Budget heading & details: Yes, see details above	√
	Decisions may give rise to additional expenditure; Details: N/A	√
	Decisions may have potential for income generation; Details: N/A	√
Other Resource implications (besides finance):	Details: Internal audits need clerk's time, for: - preparation time, ensuring all papers are in order and can be presented to the auditor in an efficient and accountable way; - presence at internal audits when they take place, to answer any questions and to seek advice; - feeding into draft reports and any follow-up queries.	√
Health and Safety implications <sup>vii</sup>	Details: N/A	√
Legal	Power under which the spend can be actioned: <sup>viii</sup> - Internal Audit is a legal duty – see <a href="#">The Accounts and Audits Regulation 2015, Part 2, Regulation 5.</a>	√
	GDPR - Data Privacy Impact Assessment: <sup>ix</sup> Details, where relevant: N/A	√
	Other considerations: N/A	√
Risk Management	Material risks <sup>x</sup> exist and these are considered and being assessed: Details: N/A	√
Other Considerations:	N/A	

<sup>i</sup> Northstowe Town Council's [Standing Order 9 b,d.](#)

<sup>ii</sup> The Council has a legal duty to ensure it looks after employees' health and wellbeing (the Health and Safety at Work etc act 1974).

<sup>iii</sup> The key legislation regarding unlawful discrimination is the Equality Act 2010, which amongst other requires the Council to monitor for compliance with the Equality Duty.

<sup>iv</sup> The Council has a legal duty to act with due regards to crime and disorder in the area (Crime and Disorder Act 1998, s17).

<sup>v</sup> The Council has a legal duty to have regard to conserving biodiversity (Natural Environment and Rural Communities Act 2006, s40).

<sup>vi</sup> It is the RFO's duty to manage financial risks on behalf of the Council, as described in the Local Audit and Accountability Act 2014 and Accounts and Audit Regulations 2015, reg 4.

<sup>vii</sup> See also Town Council's [Health and Safety Policy.](#)

<sup>viii</sup> See here for an [Overview of relevant discretionary powers](#) beyond the General Power of Competence.

<sup>ix</sup> See also the Town Council's [Data Protection Policy.](#)

<sup>x</sup> See Town Council's [Risk Management Plan.](#)