

**REPORT BY THE INTERNAL AUDITOR TO APPLEBY TOWN COUNCIL
FINANCIAL YEAR ENDING 31 MARCH 2021**

I confirm I have, on the 28th April 2021 undertaken an internal audit for the period 1st October 2020 - 31st March 2021 in accordance with the Account and Audit Regulations (England) 2015 as outlined in the Audit Plan, incorporating any new requirements as outlined in "Governance and Accountability for Local Councils" A Practitioners' Guide (England) March 2020

Sct 25, 26 & 27 of The Local Audit and Accountability Act 2014 and The Accounts and Audit (England) Regulations 2015(SI 2015/234) and The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 (SI 2020/404) requires a Council to publish, Notice of Public Rights and Publication of unaudited Annual Governance & Accountability Return.

The Clerk/Responsible Financial Officer (RFO) undertook the requirement and the date of announcement was posted advising documents were available for inspection from 20th July until 28th August 2020 The notice was posted on the website www.applebytc.org

Sections 20(2) of The Local Audit and Accountability Act 2014 and The Accounts and Audit (England) Regulations 2015 /2020 as above, requires a Council to publish, as soon as reasonably practicable, after the conclusion of the audit, a statement on the website that the audit has been completed.

The requirement has been undertaken. The Annual Governance and Accountability Return, (AGAR) with all attendant information was publicly displayed dated 4th November 2020, on the Council website, having been received from the External Auditor, ensuring compliance with all aspects of the Regulations.

The Council received an unqualified audit report from the External Audit. It is confirmed the Accounts and all governance documents fulfilled the requirements of the Account and Audit Regulations.

This report supplements the information in the previous report covering the period 1st April 2020 – 30th September 2020.

1. Accounting Records

A clear audit trail exists from all primary accounts in Sage. The manually prepared management accounts enables Council to achieve accurate control of public money. All transactions are balanced monthly and are accurate. Robust back-up procedures exist to safeguard computer records by backups undertaken after each activity in Sage.

2. Standing Orders/Financial Regulations/Transparency Legislation

All documentation is current having been reviewed and adopted as required. Financial Regulations were further reviewed and adopted April 2021 Minute No FC3/03/21 and incorporates current legislation.

3. Invoice procedure

A random check was made of invoices paid in the period. All comply with the tendering procedures as outlined for contracts in the Financial Regulations.

At all times the Clerk/RFO ensures, when sourcing suppliers, that there is adherence to the principle of Best Value.

4. VAT

Vat has been recorded and the correct sum of £1316.04 has been claimed for the period. 1st January 2021 – 31st March 2021 Final year calculations reconciling to the VAT account in the Sage records.

5. Sct 137 Payments

The Council has a statutory requirement to maintain 'a separate account' of expenditure under Local Government Act 1972 section 137 by the inclusion in the cashbook of a separate accounting column, even if not used.

6. Risk Management

The Risk Assessment documentation was reviewed at the Finance Meeting Minute No 3/03/21 and resolved 17th March 2021.

7. Internal Financial Controls

There is clear evidence by checks, dates and signatures on relevant documents e.g. invoices, financial statements, schedule of payments, bank reconciliations that the Council is in control of the use of public monies.

8. Register of Interest

Copies of all documentation are retained on file and members fulfil their obligation to advise and declare as appropriate and update their personal register.

9. Budgetary Control

A correct budget process is in place and the budget is monitored.

The accounting method enables immediate identification of monthly and cumulative spends to each budget heading. The financial reports presented by the Clerk/RFO enable the council to readily address any budget under/overspends and if necessary make the relevant virements.

10. Cash Balances at the Bank

The balances at the bank as at the 31st March 2021 are considered adequate to enable the Council to fulfil budgeted expenditure, deliver planned projects and retain an adequate cash flow.

Earmarked sums are correctly identified.

External Audit guidance advises a free revenue cash reserve nearer 3 months Net Revenue Expenditure (N.R.E.) for authorities with a N.R.E. in excess of £200,00.

11. Income Controls

All income is promptly banked upon receipt. All are demanded in a timely manner and meticulous records ensure monitored payments and overdue amounts.

12. Petty Cash

Petty cash expenses are reported to the relevant meeting.

Sums drawn are allocated to the appropriate budget head and VAT is identified and claimed.

13. Payroll Controls

PAYE/NIC records are properly operated and up to date.

All statutory payments to HMRC have been made. The accuracy of the deductions and payments is confirmed.

14. Asset Controls

The Asset Register accurately records the assets of the Council.

All assets are adequately covered by insurance. The completed Asset Register has been reviewed to comply with the requirement to record the updated amount in the Annual Governance and Accountability Return (2021 AGAR)

Assets are recorded as £4,476,102

15. Bank Reconciliation

The core cash accounts are reconciled to the bank statements monthly and accurately state the financial position of the council.

16. Year End Accounts

Appleby Town Council produces accounts on an Income and Expenditure basis.

I conclude Appleby Town Council is fully compliant with all Account and Audit Regulations and statutory obligations.

I confirm and report that the Clerk/Responsible Financial Officer (RFO), Finance Officer and Administration Assistant have maintained a high standard of recordkeeping, which has simplified the audit process. The Council's control systems are efficient and effective and give the appropriate level of confidence. The financial statements and reports reflect a true and accurate account of the Council's finance and governance records.

A handwritten signature in black ink, appearing to read 'G. Airey', with a stylized flourish at the end.

Georgina D. Airey – Internal Auditor. 29th April 2021.