

AUDIT REPORT BY THE INTERNAL AUDITOR – APPLEBY TOWN COUNCIL
1ST APRIL 2018 – 31ST MARCH 2019
FINANCIAL YEAR ENDING 31 MARCH 2019

Introduction

The Town Council has a statutory responsibility to provide an adequate and effective Internal Audit by engaging an Internal Auditor. The role of the Internal Auditor is to provide an independent review and appraisal of the Council's system of internal control.

Annual Governance and Accountability Return (AGAR)

The Local Audit and Accountability Act 2014 and The Accounts and Audit (England) Regulations 2015 requires a Council to display (for a period of 30 working days, which must include the first 10 working days of July), the Notice of Conclusion of Audit, and the relevant sections of the Annual Return in one or more conspicuous place/s, including a website and other than the minutes, advising the public that the audit has been completed.

The return of the Annual Governance statement was notified to Council and recorded in the minutes at the meeting held on

The Council received an unqualified audit report from the External Audit, with no minor matters arising. It is confirmed the Accounts and all governance documents fulfilled the requirements of the Account and Audit Regulations.

I confirm I have, on the 8th May 2019, concluded the internal audit for the period 1st April – 2018 – 31st March 2019 in accordance with the Account and Audit Regulations (England) 2015 as outlined in the schedule previously circulated and approved by Council and incorporating any new requirements as outlined in "Governance and Accountability for Local Councils" A Practitioners' Guide (England) March 2018

The authorities website has been monitored throughout the period to obtain confirmation of compliance.

AUDIT OF INTERNAL CONTROL MEASURES

Proper Bookkeeping

The Council operates a commercial accounting package – Sage, which is comprehensive and fulfils the requirements needed to complete all monthly and cumulative Income and Expenditure accounts as required by the Regulations. All payments and receipts are coded to the Council's budgeted headings, allowing immediate identification of spending in each budget sector and enables monthly management accounts to be prepared. There is the additional security of an internal checking system to monitor the accuracy of the data input into the computerised accounts. Backup procedures on Dropbox and a cloud-based system minimises the risk of the loss of data.

Standing Orders, Financial Regulations, Transparency Code.

The Council's Standing Orders and Financial Regulations were reviewed and adopted on 13th March 2019 Minute No. C. 13/03/19

The council is compliant with the Transparency Code having displayed on the website <http://www.applebytown.org.uk/> all required documentation for public display.

Invoice procedure

Invoices support payments in the cashbook. A schedule is prepared for authorisation of the council and duly recorded in the minutes. An internal financial checking system is in place and effective.

A random check was made of all relevant payments to date, in excess of £2500.

It was confirmed the payments adheres to quotation and tendering practice as outlined in Financial Regulations. The Council adheres to the principle of Best Value.

VAT

Vat is correctly identified and reclaimed quarterly. The Vat account is up to date. Payments are made to the council bank account via BACs.

Sct 137 Payments

It is 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. The Clerk/RFO has clearly segregated the payment.

Risk Management

The Council has statutory and additional appropriate insurance to cover identified financial risks.

The Risk Assessment documentation is current and the Health and Safety Risk Assessment Policies were adopted on 13th March 2019 Minute No. 13/03/19

Internal Financial Controls

The Minutes clearly documents the activities of the Council and there is no evidence of unusual financial activity. The minutes are correctly numbered and verified as a true record by a signature of the chairman and the date of approval on the final page and initials on the additional loose leafs.

Register of Interest/Members' obligations – Disclosable pecuniary interests.

Members have duly completed the Register of Interests and undertaken to adhere to the Code of Conduct. Procedures are in place and members adhere to the requirement to declare disclosable pecuniary and other registerable interests and to update the register as appropriate.

Budget Control

A budget has been properly prepared to support the need for the requested precept. Expenditure against the budget is regularly reported to the council. Variances are acknowledged and virement procedures are documented and actioned if required.

Cash Reserves

There is a requirement for the Internal Auditor to give a view on whether the cash reserves of the council are adequate or excessive. External Audit guidance suggests cash reserves should equate to six months to one-year operational expenditure.

The cash reserves of the council, at the conclusion of the financial year, are adequate to allow the Council to fulfil its budgeted obligations.

Income Controls

All income is promptly deposited at the bank. Safeguards are in place to minimise the risk to cash collectors and to segregate cash collection from the verification procedure.

Clerk's expenses

The Clerk/RFO is authorised to incur expenditure for minor items. Receipts verify all purchases. The Vat is identified and expenditure allocated to the appropriate budget heading. All spending is reported to council and re-imbursed promptly.

Payroll Controls

Salaries paid as are as agreed by council and subject to review to incorporate national agreements. Returns to HMRC are submitted at the appropriate time and are up to date.

Asset Control

The Asset Register of the council has been comprehensively updated and received and approved by Council at the meeting held on 13th March 2019 Minute No. C 13/03/19

Bank Reconciliation

Bank Reconciliations are carried out on receipt of bank statements and accurately portray the financial position of the Council. It is confirmed that there are no unexplained balancing entries.

Year End Accounts

Appleby Town Council prepares accounts on an Income and Expenditure basis as required by the Regulations.

Conclusion

It is confirmed that Appleby Town Council has fulfilled its obligations in respect of the Account and Audit regulations and all other statutory obligations in the areas scrutinised.

In concluding the report I acknowledge the assistance of the Town Clerk/RFO in her thorough preparation, which expedited the audit process as a result of accurate and transparent records.

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

Georgina D Airey – Internal Auditor 8th May 2019.