

YEAR END REPORT BY THE INTERNAL AUDITOR – PENRITH TOWN COUNCIL
FINANCIAL YEAR ENDING 31 MARCH 2020

I confirm I have, on the 20th April 2020 undertaken an internal audit for the period 1st January 2019 - 31st March 2020 in accordance with the Account and Audit Regulations (England) 2015 as outlined in the Audit Plan approved by Council and incorporating any new requirements as outlined in “Governance and Accountability for Local Councils” A Practitioners’ Guide (England) March 2019.

N.B. In preparing the Accounts the Responsible Financial Officer (RFO) has implemented the guidance in the revised “Governance and Accountability for Local Councils” A Practitioners’ Guide (England) March 2020, which has necessitated a restatement of Boxes 4 & 6, Section 2 of the Annual Governance and Accountability Return (AGAR).

A comprehensive explanation of which is given in the RFO report, which is drafted for submission to Full Council on 18th May 2020.

In compliance with Government directives during the current coronavirus Covid 19 pandemic, the audit was carried out to comply with social distancing. Comprehensive documents and working papers were forwarded by e-mail to the Internal Auditor from the RFO, who was also available to assist with any further clarifications as required. Reference was also made to Penrith Town Council website to confirm compliance with other statutory obligations.

This report is to be read in conjunction with the audit report to cover the period 1st April 2019 -31st December 2019.

1. Proper Bookkeeping

A clear audit trail exists from all primary accounts, which are produced on the Sage accounting package. The manual transitions provide a clear audit trail to fulfil the format required by the Account and Audit Regulations. All records are balanced monthly and are accurate. Robust backup procedures exist to safeguard computer records.

2. Standing Orders/Financial Regulations/Policy Documents/Transparency Legislation.

All statutory regulations and policy documents have been reviewed in the Current financial year and include all new legislation

The website ensures the objectives of the Transparency Code are achieved. It fully informs the elector of the prudent spend of public monies, by the publishing of all required data.

3. Invoice procedure

A random check was made of invoices paid in the period. All comply with Financial Regulations and adheres to the principle of Best Value.

4. VAT

Vat has been recorded and the correct sum of 2262.94 has been identified, reconciled to accounts and claimed for the final month of the financial year. 1st January 2019 – 31st March 2020.

5. General Power of Competence.

Confirmation of the continuing eligibility to use the General Power of Confidence was made at the Annual Meeting of the Council held on 20th May 2019

6. Risk Management

The risk assessment documents were reviewed and adopted as noted in the first half-year report.

7. Internal Financial Controls

The financial management system recommended by the Town Clerk and RFO subsequently adopted and approved by Council is extremely risk -adverse and fulfils all reporting requirements. There is a clear audit trail enabling verification of the accuracy of all documents produced by the External Accountant and the in-house team.

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 monthly. The accounting method enables immediate identification of monthly and cumulative spends to each budget heading. The financial reports presented by the Responsible Financial Officer (RFO) enables 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 2020 are considered adequate to enable the Council to meet budgeted projects and retain adequate cash reserves. Contained within the cash reserves and investments, are clearly identified sums earmarked for future projects and aimed at achieving the Council's long term plan, to build up a sustainable cash flow.

11. Income Controls

All income is promptly banked upon receipt. No cash income

12. Officers Expenses/Corporate Debit Card.

Officers' spend is undertaken via a debit card which is charged to the Council's bank account when items are presented.

Details of all expenses are notified to the members at each meeting.

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

13. Payroll Controls

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

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

14. Asset Control

The Asset Register, as updated, will be adopted at the Council meeting to be held on the 18th May 2020 to ensure acquisitions and disposals incurred up until 31st March 2020, as appropriate, are included in the completed register. The sum of £46,992.59 is verified and documented in the Annual Governance and Accountability Return (AGAR). All assets are adequately covered by insurance.

15. Bank Reconciliation

The core cash accounts are reconciled to the bank statements monthly and accurately state the financial cash position of the council. A member validates the information by a signature on the relevant bank statement/s.

16. Year End Accounts

Penrith Town Council produces accounts on an Income and Expenditure basis as required by the Accounts and Audit Regulations

Conclusion.

It is confirmed that Penrith Town Council is fully compliant with all Account and Audit Regulations, Transparency Legislation and all other statutory requirements.

In concluding the Internal Audit for the financial year 2019/20 I thank the Officers for the provision of meticulous records, particularly the working papers reconciling the Sage accounts to the AGAR.

A large black rectangular redaction box covers the signature area. A small white semi-circular mark is visible on the left edge of the box.

Georgina D. Airey – Internal Auditor. 21st April 2020.