

Fair Account

Fair Account
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22 February, 2020

Frome Town Council
Town Clerk
Christchurch Street West
Frome
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Dear Mr Wynne

Second Interim internal Audit Report for Frome Town Council 2019/20

The Accounts and Audit Arrangements introduced from 1st April 2002 (lighter touch audit) requires all Town and Parish Councils to implement an independent internal audit examination of their Accounts and Accounting processes annually.

The Council have complied with the requirements in terms of independence by the Council decision making process by appointing Fair Account to undertake the work for 2019/20.

The internal audit work we have carried out has been planned to enable us to give our opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2019-20 Annual Governance and Accounts Return.

We have complied with the legal requirements and proper practices set out in:

- 'Governance and Accountability for Local Councils – A Practitioners' Guide (England)' 2019
- The Accounts and Audit (England) Regulations 2015 (as amended).

It was agreed with the Business Manager that there would be an opportunity for this interim internal audit to trial the review based on using the technology available whereby the Internal Auditor would be able to review and assess the control system information through access to the Councils VPN Server and also to receive financial reports electronically through the latest back up information from the RBS Omega software.

It is noted that the use of the technology has allow the completion of this interim audit to be done remotely which is deemed more efficient for a second interim audit and proved successful for the Internal Auditor to continue to assess the efficiency and effectiveness of these internal controls.

A final internal audit visit will take place on Friday 24 April 2020 when the Internal Auditor will check the end of year procedures and sign the Internal Audit Report on the Accountability and Governance Annual Return (AGAR) 2019/2020.

By using the technology available we have continued to check and assess the internal controls as part of this review:

This Internal Audit Review checked that:

Bank Reconciliations

- the financial totals as at 31 October 2019 brought forward are accurately shown in the Cash Books.
- all un-presented cheques information, on-line payments and un-banked income at 31 October 2019 were checked to bank statements to verify these were banked in November 2019.
- all direct debits, standing orders, transfers were checked and accounted for in the period 1 November 2019 to 31 January 2020.
- all bankings were checked and agreed to bank statements in the period 1 November 2019 to 31 January 2020.
- bank reconciliations for all bank accounts had been carried out between 1 November 2019 to 31 January 2020, and totals agreed to those shown in the appropriate cash books.

Petty Cash

- the Petty Cash totals for the Office and Victoria Park was agreed to the Cash Book totals as at 31 January 2020.

Investments

- the level of Investments shown in Cash Books 5,6,7,8,9 were reconciled to information shown on the bank statements and Investment Portfolio details as at 31 January 2020.

Income and Expenditure

- all un-presented cheques, online payments and un-banked income information at as 31 January 2020 were confirmed that the details are accurate to the records held by Town Council.

VAT

- we noted the balance on the output VAT on the sale of Saxonvale.

A reimbursement claim covering October 2019 – December 2019 was submitted to HMRC for £7019.56 which was received on the 21 January 2020.

BACS Payments

- to ensure that the total BACS payments for November 2019 – January 2020 were correctly shown on the bank statements to confirm the accuracy of payments authorised for payment.

Minutes of the Town Council

- Minutes of the Town Council were checked via the Council website for approvals and decisions for the period October 2019 to January 2020.

Audit Opinion

The various records and procedures checked remotely as part of this trial continue to show that the internal control systems for the Town Council provide an adequate standard of control.

Further discussions will be held with the Business Manager and the Town Clerk to agree if future interim internal audits can be carried out remotely to provide assurance to the Council on its internal control systems.

This letter report should be noted and taken to the next meeting of the Town Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Report Letter should also be minuted by the Town Council.

Yours sincerely,



Tim Light FMAAT

Internal Auditor on behalf of Paul Reynolds FMAAT