

# Fair Account

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6 May, 2020

Frome Town Council  
Town Clerk  
Christchurch Street West  
Frome  
Somerset  
BA11 1EB

Dear Mr Wynne

## **End of Year Internal Audit Report for Frome Town Council 2019/20**

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

We confirm that we are independent of the Council.

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 Accountability and Governance and Accounts Return AGAR.

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).

This is the final audit in 2019/2020 to check that the Council adheres to the requirements set out in the Governance and Accountability for Smaller Authorities in England ensuring that compliance with proper practices is maintained.

The current Coronavirus outbreak has delayed further visits taking place, but consultations have continued by video link and telephone conference calls with the Clerk, Business Manager (RFO) and Assistant Finance Officer. The Business Manager has also provided back-up information from the RBS Omega and continued access to the Audit folder held on the Town Council Server for the period February - March 2020 and end of year details to support the current governance and financial management position of the Council. Further

confirmation has been obtained of good practice and compliance with the Transparency Code Regulations 2015 from the Council's website.

As we have carried out interim internal audit visits and reviews through 2019/2020, we are also using the information already recorded from these visits to complete the internal control objectives on the (AGAR) Internal Audit Report.

Where this is necessary, we will complete the AGAR Internal Audit Report on evidence already seen from the previous visit. This is acceptable practice for the External Auditor ,

As part of this final Internal Audit Review we checked:

**Bank Reconciliations including all bank accounts, Petty Cash, CCLA Deposit Fund**

- all Bank Reconciliations at 31 March 2020 were re-performed and no errors were noted.

**Income and Expenditure including VAT reimbursements, PWLB Loan payments and balances**

- all income and expenditure items as at 31 March 2020 were confirmed and details are accurate to the records held by Council.

**Town Council Minutes**

- Minutes of the Council were checked on the website for approvals and decisions made and approval of payments was checked for February 2020.

**Asset Register**

- The Asset Register at 31 March 2020 was reviewed and additions and disposals for 2019/20 were agreed.

**End of Year Procedures**

- A full check was carried out on the End of Year documentation provided by the Assistant Finance Officer to confirm the accuracy of the details to be submitted to the External Auditor. This also included the validation of any variances of totals over 15% between 2018/19 and 2019/20 shown on Section 2 of the AGAR as required by the External Auditor.
- The Annual Internal Audit Report to be submitted to the External Auditor was completed and signed by Paul Reynolds.

We are pleased to report that the various records and procedures in place for the Council provide an adequate standard of control.

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

Your sincerely

Paul Reynolds FMAAT and Tim Light FMAAT



A handwritten signature in cursive script, appearing to read 'P. Reynolds', is written over a horizontal line.

# Annual Internal Audit Report 2019/20

## FROME TOWN COUNCIL

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation during the financial year ended 31 March 2020.

The internal audit for 2019/20 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Agreed? Please choose one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic and year-end bank account reconciliations were properly carried out.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis ( <del>receipts and payments</del> or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. IF the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")			✓
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		
<b>M. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
	✓		

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

7/11/19, 22/2/20 & 3-4/5/20

Name of person who carried out the internal audit

P. REYNOLDS F. MAAT.

Signature of person who carried out the internal audit

*P. Reynolds*

Date

5/5/20

\*If the response is 'no' you must include a note to state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).