

Fair Account

Fair Account
1 Roker Way
Fair Oak
Eastleigh
Hants
SO50 7LD

TEL: (023) 8069 5322

16 January, 2021

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

Dear Mr Wynne

Second Interim Internal Audit Review for Frome Town Council 2020/21

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 to be 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 2020-21 Annual Governance and Accountability Annual 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)' 2020
- The Accounts and Audit (England) Regulations 2015 (as amended).

Background

Frome Town Council had income and expenditure in 2019/2020 of between £2,000,000 and £2,500,000 and is subject to review by the External Auditor, PKF Littlejohn. The Council had a clean annual report from the external auditor for 2019-20. It is further noted that the publication of the Conclusion of Audit Notice has been correctly displayed on the Council website.

The Council is a sole managing trustee.

It is good practice for the Council to comply with the Local Government Transparency Code 2015.

The Council's accounting records are maintained on RBS Omega Software

The Council Offices remain closed to the public due to the continuation of the Covid 19 pandemic, but an internal audit review has been carried out remotely on Tuesday 12 January 2021.

It was agreed with the Business Manager that this interim internal audit continues to access the Councils VPN Server and to receive reports electronically through the latest back up information from the RBS Omega software.

We continue to note that the use of the technology has allowed the completion of this interim audit to be done remotely which is effective and successful for the Internal Auditor to continue to report the efficiency and effectiveness of the internal controls at the Town Council.

As part of this second Internal Audit Review we checked:

Bank Reconciliations including all bank accounts, CCLA Deposit Fund

- the financial totals as at 31 August 2020 brought forward are accurately shown in the cash books.
- all un-presented cheques, on-line payments and un-banked income at 31 August 2020 were checked to bank statements to verify these were banked in September 2020.
- all direct debits, standing orders, transfers were checked and accounted for in the period 1 September 2020 to 31 December 2020.
- all bank paying in slips were banked and agreed to bank statements in the period 1 September 2020 to 31 December 2020.
- bank reconciliations for all bank accounts had been carried out between 1 September 2020 to 31 December 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 in hand as at 31 December 2020.
- a series of tests to agree the reimbursements from the Office Imprest Account between, 1 September 2020 – 31 December 2020 were undertaken.
- a series of petty cash vouchers were checked and agreed, and Cash Books 3 and 4 were reconciled up to 31 December 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 December 2020.

Income and Expenditure

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

Purchases Day Book

• A test check of Purchase Invoices (September 2020 – December 2020) to the Purchases Day Book was carried out to ensure that they were accurately recorded and where appropriate showed the correct VAT elements extracted.

Sales Day Book

• A test check of Sales Invoices (September 2020 – December 2020) to the Sales Day Book was carried out to ensure that they were accurately recorded and where appropriate showed the correct VAT elements extracted.

VAT

• VAT reimbursement claim totals for the period (September 2020 to December 2020) were checked to the VAT Control Account. We can confirm that a VAT reimbursement claim totalling £5,834.53 July 2020 to September 2020 was received from HMRC on 16 October 2020.

BACS Payments

• We checked to ensure that the total BACS payments for September 2020 – December 2020 were correctly shown on the bank statements to confirm the accuracy of payments authorised for payment.

Transparency Code

• We checked the Town Council website to ensure that the best practice requirements of the Transparency Code 2015 are maintained by the Town Council. We can confirm that the best practice requirements of the Code are maintained by the Town Council.

Minutes of the Town Council

• Minutes of the Town Council were checked via the Council website for approvals and decisions for the period September 2020 to December 2020.

Next Internal Audit Review

• Subject to Government Guidelines an arrangement has been made to visit the Town Council Offices for the next internal audit review and this has been arranged for Tuesday 4 May 2021.

Audit Opinion

The various records and procedures checked at this visit for the Town Council provide an adequate standard of control.

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, 

Paul Reynolds FMAAT and Tim Light FMAAT
Internal Auditors