

Fair Account

Fair Account
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24 September, 2020

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

Dear Mr Wynne

First 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 Thursday 17 September 2020.

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.

It is noted 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 report the efficiency and effectiveness of the internal controls at the Town Council.

As part of this first Internal Audit Review we checked:

Bank Reconciliations including all bank accounts, CCLA Deposit Fund

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

Audit Note: It was noted that the Interest Notifications from CCLA were not available to check the interest received in the period. In discussion with the Assistant Finance Officer it was found that these were located in the Town Clerks email junk folder. Arrangements have now been made to ensure they are received direct to the correct inbox in future.

Petty Cash

- the Petty Cash totals for the Office and Victoria Park was agreed to the cash in hand as at 31 August 2020.
- a series of tests to agree the reimbursements from the Office Imprest Account between, 1 April 2020 – 31 August 2020 were undertaken.
- a series of petty cash vouchers were checked and agreed, and Cash Books 3 and 4 were reconciled up to 31 August 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 August 2020.

Income and Expenditure

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

Purchases Day Book

- A test check of Purchase Invoices (April 2020 – June 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 (April 2020 – June 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 (April – June 2020) were checked to the VAT Control Account. We can confirm that a VAT reimbursement claim totalling £5,834.53 April – June 2019 was received from HMRC on 21 July 2020.

BACS Payments

- We checked to ensure that the total BACS payments for April – August 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 April – July 2020.

Audit Note: We noted that the approval of the Accountability and Governance Annual Return 2019/2020 did not record in the Minutes the approval of the Exercise of Public Rights period agreed by the Town Council as per the requirements of the Governance and Accountability for Smaller Authorities (Practitioners Guide 2020).

Publication of the AGAR on websites

- Scanned pdf documents do not comply with the Accessibility Regulations 2018. We therefore recommend that you state in your authority's Accessibility Statement that scanned pdf documents do not comply with the Accessibility Regulations but that these documents can be provided in an alternative format or on alternative media, on request.

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 13 January 2021. The Business Manager has agreed that the control system for Grant Applications will be checked and reviewed at the audit visit.

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,

A handwritten signature in black ink, appearing to read "P. Reynolds".

Paul Reynolds FMAAT and Tim Light FMAAT
Internal Auditors