

Fair Account

Fair Account
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27 April, 2022

Frome Town Council
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Dear Mr Wynne

Internal Audit Report for Frome Town Council for 11/21 to 1/22

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 by considering public sector internal auditing standards & guidance.

We can confirm that we are independent of the Town 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 2021-22 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)' 2021
- The Accounts and Audit (England) Regulations 2015 (as amended).

This is the second interim audit in 2021/2022 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 Zoom 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 system, and continued access to the Audit folder held on the Town Council Server for the period November 2021- January 2022 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 conduct each interim internal audit visit and reviews through 2021/2022, we will use 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 all previous visits. This is acceptable practice for the External Auditor.

As part of this Internal Audit review, we checked:

Bank Reconciliations for all 10 cashbooks (7 Bank a/cs, 2 Petty Cash & CCLA Deposit)

- all Bank Reconciliations as at 31 January 2022 were agreed, and no errors were noted.

Income and Expenditure incl. VAT reimbursements, PWLB Loan payments and balances

- all income and expenditure items as at 31 January 2022 were confirmed, and details are accurate to the records held by Council. Four assets located on paid invoices in this period had already been added to the Asset Register.

Town Council Minutes

- Minutes of the Council were checked on the website for approvals and decisions made incl. approval of payments for November 2021 to January 2022. *(Audit Note: The Budget 2021/2022 was noted but not formally approved by the Council at their meeting on 20 January 2021. This has now been remedied by approving at the Council meeting on 19 May 2021 (Min ref. 2021/22/FC)*

VAT claims

- VAT claim for quarter 3 (£20,896.21) was checked & refund confirmed on 18/1/22.

Payroll checks

- The January 2022 payslips were checked to Staff contracts for accuracy of Spinal points & hours worked.

Insurance

NB > It may be prudent to review Council's Cyber cover, as malware attacks are now becoming more commonplace on Local Councils across the country. Contact details were provided to the Asst. Finance Officer for review with the RFO.

We are pleased to report that the various records and procedures in place for the Council provide a very good standard of control during this audit period.

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