

Fair Account

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

TEL: 07815 435 380

14 September, 2023

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

Dear Mr Wynne

Internal Audit Report for Frome Town Council for 1/23 to 3/23

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 Annual Governance and Accounts Return (AGAR) for 2022/23.

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

- 'Governance and Accountability for Local Councils – A Practitioners' Guide (England)' 2023
- The Accounts and Audit (England) Regulations 2015 (as amended).

This is the Final audit in 2022/2023 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 IA report on the AGAR has been duly signed off for 2022/23, with no queries arising.

The AFO has 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 January 2023 to March 2023. This supports 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 2022/2023, we have used 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 12 cashbooks (9 Bank a/cs, 2 Petty Cash & CCLA Deposit)

- All Bank Reconciliations at 31 March 2023 were agreed, and no errors were noted.

Income and Expenditure incl. VAT, Payroll, PWLB Loan aspects & Asset purchases

Test checks on income and expenditure items in this period were confirmed, and details are accurate to the records held by Council. The Assets' acquired & disposed totals were tested, confirming the AGAR box 9 total at £4,846,373. Payroll aspects were already tested for December 2022 on last visit.

Town Council Minutes

- Minutes of the Council were checked on the website for approvals and decisions made incl. approval of payments for January to March 2023. The Standing Orders & Financial Regulations had already been updated & approved at 18/5/22 meeting.

VAT claims

- VAT for Quarter 4 was test checked, & claim for £21,904.47 has been submitted to HMRC.

Insurance

Zurich policy YLL-272004 covering upto 6/4/23 is held for standard Council aspects. Cyber cover is held with Gallaghers on OSR policy 8445085 upto 3/8/23. E-bike insurance cover is held on Pen policy 77093155 upto 20/7/23.

PWLB

Payments agreed as £167,858 (Box 5) & confirmed 31/3/23 balance as £1,272,703 (Box 10)

Risk Assessments

The various reviews were perused for accuracy & completion in 2022/23, with no queries.

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. This should then be minuted by the Council.

I confirm the first interim audit for 2023/24 will be conducted on 16 & 17 November 2023.

Your sincerely

Paul Reynolds FMAAT

SB

Annual Internal Audit Report 2022/23

Frome Town Council

www.frometowncouncil.gov.uk

During the financial year ended 31 March 2023, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2022/23 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	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 bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments of 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 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	✓		

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

5/10/22, 16/1/23 & 4/5/23

Name of person who carried out the internal audit

P. REYNOLDS FMAAT.

Signature of person who carried out the internal audit

P. Reynolds

Date

4/5/23.

*If the response is 'no' please 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).