

**YEAR END REPORT BY THE INTERNAL AUDITOR – PENRITH TOWN COUNCIL
FINANCIAL YEAR ENDING 31 MARCH 2019**

I confirm I have, on the 25th April 2019 undertaken an internal audit for the period 1st October 2018 - 31st March 2019 in accordance with the Account and Audit Regulations (England) 2015 as outlined in the Audit Plan approved by Council and incorporating any new requirements as outlined in “Governance and Accountability for Local Councils” A Practitioners’ Guide (England) March 2018

This report supplements the information reported in the first half -year audit.

1. Proper Bookkeeping

A clear audit trail exists from all primary accounts, which are produced on the Sage accounting package. The manual transitions provide a clear audit trail to fulfil the format required by the Account and Audit Regulations. All are balanced monthly and are accurate. Robust backup procedures exist to safeguard computer records.

2. Standing Orders/Financial Regulations/Transparency Legislation

The Council has documents tailored to the operation of Penrith Town Council. A methodical routine for the annual review and adoption of all governance documents ensures the Council has continuous compliance with Account and Audit Regulations.

The website sets a benchmark for local councils. It ensures the Transparency Code achieves the objective of fully informing the elector of the prudent spend of public monies, by the publishing of all required data.

3. Invoice procedure

A random check was made of invoices paid in the period. All comply with Financial Regulations and adheres to the principle of Best Value.

4. VAT

Vat has been recorded and the correct sum of £3898.20 has been identified for the final quarter of the financial year. 1st January 2018 – 31st March 2019.

5. Sct 137 Payments

The Council is fully compliant with the statutory requirement to maintain ‘a separate account’ of expenditure under Local Government Act 1972 section 137 by the inclusion in the cashbook of a separate accounting column. All grant expenditure is listed with the relevant LGA Power within the Act.

6. Risk Management

The risk assessment documents were reviewed and adopted as noted in the first half-year report.

7. Internal Financial Controls

The financial management system recommended by the Town Clerk and subsequently adopted and approved by Council is extremely risk -adverse and fulfils all reporting requirements. There is a

clear audit trail enabling verification of the accuracy of all documents produced by the External Accountant and the in-house team.

8. Register of Interest

Copies of all documentation are retained on file and members fulfil their obligation to advise and declare as appropriate and update their personal register.

9. Budgetary Control

A correct budget process is in place and the budget is monitored.

The accounting method enables immediate identification of monthly and cumulative spends to each budget heading. The financial reports presented by the Responsible Financial Officer (RFO) enables the council to readily address any budget under/overspends and if necessary make the relevant virements

10. Cash Balances at the Bank

The balances at the bank as at the 31st March 2019 are considered adequate to enable the Council to fulfil budgeted expenditure, deliver planned projects and retain an adequate cash flow.

11. Income Controls

All income is promptly banked upon receipt.

12. Officers Expenses/Corporate Credit Card.

Officers' spend is undertaken via a credit card which is settled in full as demanded on the payment date.

A reconciled account is notified to the members at each meeting.

Sums drawn are allocated to the appropriate budget head and VAT is identified and claimed.

13. Payroll Controls

PAYE/NIC records are undertaken externally and are properly operated and up to date.

All statutory payments to HMRC and Pension provider have been made. The accuracy of the deductions and payments is confirmed.

14. Asset Control

The Asset Register will again be reviewed in April and adopted at the Council meeting to be held on 20th May 2019, to ensure acquisitions and disposals incurred up until 31st March 2019, if appropriate, are included in the completed register. The sum of £38070 at the 31st March 2019 is verified and documented in the Annual Governance and Accountability Return (AGAR). All assets are adequately covered by insurance.

15. Bank Reconciliation

The core cash accounts are reconciled to the bank statements bi-monthly and accurately state the financial cash position of the council. A member validates the information by a signature on the relevant bank statement/s.

16. Year End Accounts

Penrith Town Council produces accounts on an Income and Expenditure basis as required by the Accounts and Audit Regulations

Conclusion.

It is confirmed that Penrith Town Council is fully compliant with all Account and Audit Regulations, Transparency Legislation and all other statutory requirements.

In concluding the Internal Audit for the financial year 2018-19 I thank the Officers for the provision of meticulous records. I would also commend the assistance of the Accountant for his thorough understanding of the requirements to convert the Sage records into the format required to comply with the local authority Account and Audit Regulations.

Georgina D. Airey – Internal Auditor. 25th April 2019

