

YEAR END REPORT BY THE INTERNAL AUDITOR – PENRITH TOWN COUNCIL FINANCIAL YEAR ENDING 31 MARCH 2021

I confirm I have, on the 19th April 2021 undertaken an internal audit for the period 1st January 2020 - 31st March 2021 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 2019.

N.B. In preparing the Accounts the Responsible Financial Officer (RFO) has implemented the guidance in the revised Governance and Accountability for Local Councils” A Practitioners’ Guide (England) March 2021

In compliance with Government directives during the current coronavirus Covid 19 pandemic, the audit was carried out to comply with social distancing. Comprehensive documents and working papers were forwarded by e-mail to the Internal Auditor from the RFO, who was also available to assist with any further clarifications as required. Reference was also made to Penrith Town Council website to confirm compliance with other statutory obligations.

This report is to be read in conjunction with the audit report to cover the period 1st April 2020 -31st December 2020

1. Appropriate accounting records

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. It is confirmed that the prior year balance is correctly carried forward from the Annual Governance and Accountability Return (AGAR) and balanced to the new financial year. All records are balanced monthly and are accurate. Robust backup procedures exist to safeguard computer records.

2. Standing Orders/Financial Regulations/Policy Documents/Transparency Legislation.

All statutory regulations and policy documents have been reviewed in the current financial year and include all new legislation, as reported in the interim report.

The website ensures the objectives of the Transparency Code are achieved. It fully informs 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.

A clear audit trail is provided by documents prepared as appendices and reports from the RFO, which accompanies the agenda and is compared with appropriate debits on bank statements.

All purchases comply with Financial Regulations and adhere to the principle of Best Value.

4. VAT

Vat has been recorded and the correct sum of £2296.69 has been identified, reconciled to accounts and claimed for the final month of the financial year, March 2021.

5. General Power of Competence.

Penrith Town Council continues to hold General Power of Competence status until the next relevant Annual Meeting of the Council

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 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. The review of Internal Controls was ratified at the Town Council meeting held on 29th March 2021. – Minute No. PTC/20/127

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 monthly.

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) advise Council of the reasons for under and/or overspends and details recommended action to enable the council to respond with appropriate strategies.

10. Cash Balances at the Bank

The Town Council minimises the risk to cash reserves by allocating across several accounts. The funds clearly relate to the investment strategy and are earmarked for specific purposes. The Reserves Policy and Investments Strategy was ratified at a Full Council Meeting held on 25th January 2021. – Minute No. PTC20/110vii.

The balances at the bank as at the 31st March 2021 are considered adequate to enable the Council to meet budgeted projects and retain adequate cash reserves.

11. Income Controls

All income is promptly banked upon receipt. No cash income.

12. Officers Expenses Card.

Officers' spend is undertaken via a Debit card drawn on the HSBC account.

Sums drawn are allocated to the appropriate budget head, included in the schedule of payments for approval of members. 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 the Pension provider have been made. The accuracy of the deductions and payments are confirmed by regular scrutiny by the RFO.

14. Asset Control

The Asset Register is updated to ensure acquisitions and disposals incurred up until 31st March 2021, as appropriate, are included in the completed register. The sum of £124,363 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 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 2020/21 I thank the Officers for the provision of meticulous records, particularly the working papers reconciling the Sage accounts to the AGAR.

A handwritten signature in black ink, appearing to read 'G. Airey', with a large, stylized 'V' or checkmark flourish at the bottom right.

Georgina D. Airey – Internal Auditor. 19th April 2021.