

**FINAL REPORT BY THE INTERNAL AUDITOR TO PENRITH TOWN COUNCIL**  
**1<sup>ST</sup> APRIL 2023- 31<sup>ST</sup> MARCH 2024**  
**FINANCIAL YEAR ENDING 31<sup>ST</sup> MARCH 2024**

**Introduction**

This final report for the financial year 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 covers elements required by the Account and Audit Regulations (England) 2015, which were not covered in the interim report for the period 1<sup>st</sup> April 2023 – 30<sup>th</sup> December 2023.

I confirm I have on the 15th April 2024 undertaken a final audit which covers the period 1<sup>st</sup> January 2024 to 31<sup>st</sup> March 2024 in accordance with the Account and Audit Regulations (England) 2015 as outlined in the schedule previously circulated and approved by Council and incorporating any new requirements as outlined in “Governance and Accountability for Smaller Authorities in England” March 2024

**Appropriate accounting records have been kept throughout the year.**

The completed 2024 Annual Governance and Accountability Return (AGAR) confirms that the closing balance on 31<sup>st</sup> March 2023 has been correctly carried forward to 1<sup>st</sup> April 2024 to commence the financial year.

The bank reconciliation on 31<sup>st</sup> March 2024 correctly reflects the balances on all bank accounts.

The Council having reserve cash funds in excess of £100,000 has identified the need for an investment strategy with clear aims and objectives, namely, to consider security, liquidity, and yield, here listed in order of priority.

The Council has a comprehensive investment policy, and strategy for reserves, which were adopted – Meeting 29<sup>th</sup> January 2024 – Minute No. PTC23/107. b.c.

**The authority complied with its financial regulations, invoices supported payments, all expenditure was approved, and VAT was accounted for.**

The rigorous tendering process for goods and services was evidenced by the documentation made available. All tenders and quotes adhere to the up-to-date Financial Regulations. A selection of financial transactions was reviewed in excess of £2000.00 all were supported by a clear audit trail.

Vat reclaims are prepared on a monthly basis. Evidence was available to confirm the reclaims for January, February and March. – Sage Reconciliation, Sage Transactions and HMRC verification.

The claim for the final month of the financial year 31<sup>st</sup> March 2024 had been reconciled and submitted to HMRC - £1473.58.

**The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.**

All aspects of this section were covered in the interim report. Further financial and other risks are identified throughout the year. Required controls are documented in any reports to review the outturn report for the financial year 31<sup>st</sup> March 2024 and recommend its acceptance to Full Council

**The Precept requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored and reserves are appropriate.**

The Responsible Financial Officer (RFO), with full explanations of the recommendations, prepared a budget report and it was presented to the Finance Committee for approval and development, prior to recommendations being made to Council. The Council approved the submission of the precept demand to the County Council – Meeting 29<sup>th</sup> January 2024 – Minute No. PTC23/107c(ii) - £487,735.00.

Penrith Town Council has total reserves as of 31<sup>st</sup> March of £716639.09 as correctly recorded in box 7 of the AGAR. The sum comprises £507231.21 General Reserve; Earmarked Reserves – Devolution Reserve £174404.88; Election Cost Reserve £35000.

**External Audit advises – as per Practitioners’ Guide Page 38/39 – 5.33 – 5-39, that General Reserves of an “authority with income and expenditure in excess of £200,000 should plan towards 3 months equivalent general reserve”**

**Expected income was fully received based on correct prices, properly recorded and promptly banked and VAT appropriately accounted for.**

The Council has minimal income from sources other than the Precept. Where received, it is properly recorded and promptly banked. No cash income.

A review of fees and charges approved – Meeting 25<sup>th</sup> March 2024 – Minute No. PTC23/123.c.

The Council has 200 allotment plots allocated over 4 sites. Penrith Allotment Association operates the sites on the Council behalf.

**Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for. Sct 137 requirement.**

**The use of the of the .gov.uk domain name.**

The Council does not operate a Petty Cash account. Sums incurred on Debit Cards are fully supported by invoices/receipts. VAT is identified and purchases are allocated to the appropriate budget headings.

Penrith Town Council is a General Power of Competence Council and complies with all statutory obligations to record eligibility at the relevant time. Sct. 137 is not applicable.

Penrith Town Council has for some time now responded to the strong encouragement to adopt the .gov.uk domain name. All councillors use the domain for all council business.

**Salaries to employees and allowances to members were paid in accordance with the authority’s approvals and PAYE and NI requirements were properly applied**

All payments reflect salary scales approved by Council. Returns to HMRC are processed by the external accountant. The record with all deductions for staff was properly prepared and available for inspection.

**Assets and investments register were completed and accurate and properly maintained.**

The Asset Register for the current financial year has been completed with a reconciliation to outline all acquisitions and disposals. The document is reviewed annually, to a scheduled timetable, ensuring accuracy for completion of the 2023- 2024 AGAR. – Assets Recorded - £172003.60.

All investments adhere to the Investment Strategy. The Council does not have long term invested cash assets.

**Accounting statements prepared during the year were prepared on the correct accounting basis – income and expenditure , all schedules, etc agreed and were supported by an adequate audit trail from the core Sage accounts. Debtors and Creditors were properly recorded. The Council has published on the website all documentation required under relevant legislation.**

The Council accounts are prepared on an Income and Expenditure basis as required by the Accounts and Audit regulations being an authority with income/ expenditure in excess of £200,000. The Sage Accounts clearly identifies Debtors, Creditors, Receipts in Advance, and Accruals. It is confirmed that the Council is fully compliant with requirements to publish on the website information in line with relevant legislation.

The External and Internal Audit reports confirm that Penrith Town Council has fulfilled its statutory obligations, and all finance and governance comply with legislation. The comprehensive website ensures the electorate is fully aware of the use of all public funds.

I wish to express my appreciation to the Responsible Financial Officer for the of preparation all relevant financial documents and reports, for the assistance of the Acting Town Clerk and all Officers for comprehensive governance documents and the completeness of information on the website which facilitated the audit.



Georgina D Airey - Internal Auditor – 15<sup>th</sup> April 2024.