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LIGHTATOUCH

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20 April 2022

The Town Clerk

Alton Town Council

Town Hall

Market Square

Alton, Hants

GU34 1HD

Dear Leah

**Final Internal Audit Review:
Alton Town Council – covering December 2021 to March 2022 and Year End procedures**

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, taking into account public sector internal auditing standards or guidance.

We confirm that we are independent of the 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 2020-21 Annual Accountability and Governance Annual Return (AGAR).

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

- 'Accountability and Governance for Local Councils – A Practitioners' Guide (England)' 2021
- The Accounts and Audit (England) Regulations 2015 (as amended).

This is the final audit in 2021/2022 to check that the Council adheres to the requirements set out in the Accountability and Governance for Smaller Authorities in England ensuring that compliance with proper practices is maintained.

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A visit was carried out to complete and finalise the End of Year Internal Audit 2021/2022 on Tuesday 19 April 2022.

Further links were also carried out by video and telephone conference calls between the Internal Auditor and the Town Clerk to finalise the review.

The Assistant to the Town Clerk has also provided back-up information for the period December 2021 to March 2022 and End of Year details 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 Regulation 2015 from the Council's website.

As have carried out interim internal audit visits and reviews throughout 2021/2022. We are using the information already recorded from these visits to complete the internal control objectives on the (AGAR) Internal Audit Report.

Where this is necessary, we have completed the AGAR Annual Internal Audit Report on evidence already seen from the previous reviews. This is acceptable practice for the External Auditor.

At this visit detailed checks will be carried out on:

- Minutes of Council Meetings
- Bank and cash
- Investments
- Income and expenditure
- Assets Register
- Budget approval and Reserves 2022/2023
- VAT claims
- Transparency Regulation 2015
- End of Year Procedures

Findings

Details of good practice noted are set out below.

Good practice

- The Council continues to maintain its books and records on RBS Omega Software.
- Staff are aware of the requirements of GDPR
- The Council is registered with the ICO.
- Details of total payments authorised at meetings are recorded in the Minutes.
- All income records are appropriate and recorded correctly
- All expenditure items could be traced and are recorded correctly in the financial ledger.
- Petty cash is maintained, recorded, and approved appropriately.
- All records continue to be up to date and easy to follow.
- The Council take an active scrutiny role.
- The Council maintain a strong investment position.
- Contract and Tendering arrangements adhere to those recorded in Financial Regulations.
- The budgeting process is detailed, thorough and monitored throughout the year

- Reserves have been reviewed and are set at appropriate levels for 2022/2023.
- Bank reconciliations are carried out each month and were accurate.
- VAT claims continue to be submitted to HMRC on a regular basis.
- Payroll information is calculated correctly, showing appropriate deductions for PAYE, National Insurance and Pension Contributions.
- Sales Invoices are raised when appropriate to record income due to the Council.
- The Council's website continues to meet the requirements of the Transparency Code Regulation 2015.

As part of this final Internal Audit Review, we validated:

Bank Reconciliations

- the Bank Reconciliation at 31 March 2022 was re-performed and no errors were noted.

Income and Expenditure including, VAT reimbursement and PWLB payments

- all income and expenditure items as at 31 March 2022 were confirmed and details are accurate to the records held by Council.

Budget 2021/2022

- Budget information was checked and we remain satisfied that details are appropriately recorded in the Councils records.

Town Council Minutes

- Minutes of the Council were checked on the website for approvals and decisions made and approval of payments was checked for March 2022.

Asset Register

- The Asset Register at 31 March 2022 was reviewed and additions for 2021/22 were agreed.

End of Year Procedures

- A full check was carried out on the End of Year documentation provided by the Clerk to confirm the accuracy of the details to be submitted to the External Auditor. This also included the validation of any variances of totals over 15% between 2020/21 and 2021/22 shown on Section 2 of the AGAR as required by the External Auditor.
- The Annual Internal Audit Report to be submitted to the External Auditor was completed and signed by Tim Light.
- The 2021/2022 AGAR Annual Internal Audit Report requires the Internal Auditor to check the Council has correctly provided the proper opportunity for the Exercise of Public Rights in accordance with the requirements of the Accounts and Audit Regulations 2015.
- This includes the Internal Auditor being shown evidence that the posting of the notice on the website was done at least one clear day before the 30-working day period begins.
(Audit Note; We are pleased to report that the Town Council have displayed the Notice correctly to comply with the requirements of the Accounts and Audit Regulation 2015).

April 20, 2022

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This report should be circulated for 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.

Yours sincerely,
Tim Light FMAAT
Internal Auditor.