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19 December 2019

The Town Clerk

Alton Town Council

Town Hall

Market Square

Alton

Hants

GU34 1HD

Dear Leah

Internal Audit Letter Report for Alton Town Council (October 2019 – November 2019) 2019/20

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, considering public sector internal auditing standards or guidance.

With the commencement of the new Assistant to the Town Clerk appointment on the 11 November 2019 it was agreed with the Town Clerk that an opportunity would be taken to add an extra interim internal audit visit to the 2019/2020 calendar and hold an introductory meeting with the Assistant to the Town Clerk on the 18 December 2019.

The new Assistant to the Town Clerk has Local Council Sector experience but it unfamiliar with the use of the RBS Omega software used by the Town Council. This software is a well-established product and used extensively by Town and Parish Councils to provide financial management information. It is our opinion the new Assistant to the Town Clerk has started well to understand the requirements of maintaining financial management information on the RBS Omega software under the guidance of the Finance and Administration Manager. This software package remains fit for purpose for the Town Council.

We discussed the details of recording financial transactions on the software with the Assistant to the Town Clerk and checked the information input to the financial ledger for the two-month period October 2019 and November 2019. We confirmed that this information had been reconciled to the bank statements for the period to 30 November 2019, although there were some outstanding journal entries that were required, these were discussed at the visit. Subsequently they were actioned on the day of the visit or discussed so they could be followed up after the visit.

We further discussed the management information that can be produced from the software and reports that can be provided to the Finance and Administration Manager and Town Clerk to inform them of the financial position of the Town Council.

We also discussed the use of the software to provide sufficient management information which can produce end of year output that will satisfy the External Auditor and can form part of the end of year accounts that will be brought to the Town Council.

A series of independent audit tests were also undertaken at this visit to provide assurance that the internal control framework remains fit for purpose. We checked a sample of vouchers, petty cash, invoices, Minutes, the previous audit report to ascertain the efficiency and effectiveness of the Council's internal controls.

We continue to report that the Governance arrangements for the Town Council are of a good standard and that with the current support provided we are confident that the Assistant to the Town Clerk will ensure that internal controls over the financial management are improved from those reported in our previous internal audit report.

Two further internal audit visits are planned during 2019/2020 to check that the Town Council adheres to the requirements set out in the Governance and Accountability for Smaller Authorities in England ensuring that compliance is maintained for the year ending 31 March 2020.

This internal audit letter should be noted and taken to the next meeting of the Town Council to inform them of the Internal Audit work to be carried out during 2019/2020.

Yours sincerely,

Tim Light FMAAT and Paul Reynolds FMAAT

Internal Auditors