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15 April 2020

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 2019 to March 2020 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 2019-20 Annual Accountability and Governance and Accounts Return AGAR).

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

- 'Governance and Accountability for Local Councils – A Practitioners' Guide (England)' 2019
- The Accounts and Audit (England) Regulations 2015 (as amended).

This is the final review for 2019/2020 which also reports on the work carried out at our interim internal audit visit on the 09 March 2020 to check that the Council adheres to the requirements set out in the Governance and Accountability for Smaller Authorities in England ensuring that compliance with proper practices is maintained.

The current Coronavirus outbreak has delayed further visits taking place, but consultations have continued by video link and telephone conference calls with the Clerk, Administration and Finance Manager and Assistant to the Town Clerk. The Clerk has also provided back-up information for the period March 2020 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 Regulations 2015 from the Council's website.

As we have carried out interim internal audit visits through 2019/2020 we are also 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 will complete the AGAR Internal Audit Report on evidence already seen from the previous visit. This is acceptable practice for the External Auditor

As part of this final Internal Audit Review we checked:

**Bank Reconciliations including Unity Trust Bank, Petty Cash, CCLA Deposit Fund accounts**

- all Bank Reconciliations between 1 December 2019 and 31 March 2020 was re-performed and no errors were noted.

**Income and Expenditure including PWLB Loan payments and balances**

- a sample of income and expenditure items for the period 1 December 2019 to 31 March 2020 were confirmed and details are accurate to the records held by Council.

**Town Council Minutes**

- Minutes of the Council were checked on the website for approvals and decisions made and approval of payments was checked for December 2019 to February 2020.

**Asset Register including CCLA Property Fund balances**

- The Asset Register at 31 March 2020 was reviewed and additions and disposals for 2019/20 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 2018/19 and 2019/20 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.

All the internal control statements shown in the internal audit report of the AGAR have been completed to show our opinion that there is an appropriate control framework in place for the Town Council except for Objective L.

The External Auditor has for the first time required the Internal Auditor to check that the authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

An extract from the External Auditors notifications states:

"Our view is that Internal Control Objective L can only be answered positively if the Internal Auditor has seen evidence that:

- the Notice and approved AGAR Sections 1 and 2 were published on the website at least one day prior to the start of the period; and
- the period was compliant with the Regulations, i.e. 30 consecutive working days including the first 10 working days in July and commencing after the Section 2 approval date; and
- the Notice and approved AGAR remained on the website from the date of announcement to the end of the period.

***"If the Internal Audit does not have evidence that all these criteria were met, a 'No' answer must be given; and if any cannot be demonstrated, a 'Not covered' answer must be given"***

Although we have completed Objective L on the Internal Audit Report (AGAR) showing this as "Not Covered" for 2019/2020, it should be noted that compliance will be resolved at the time of posting the Notice for the Exercise of Public Rights 2020.

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 and Paul Reynolds FMAAT  
Internal Auditors.