

TO:
MEMBERS
FILEY TOWN COUNCIL

01.06.21.

INTERNAL AUDIT REPORT
FILEY TOWN COUNCIL ACCOUNTS
FINANCIAL YEAR 2020/21

Context

The Town Council has a statutory duty to complete an Annual Return at the end of each financial year. As part of this Annual Return, the Town Council's internal audit is required to provide assurance that relevant procedures and controls were operating effectively for the financial year 2020/21. The purpose of this exercise is to meet those statutory requirements and provide the Council with an appropriate level of assurance in support of the annual return for 2020/21.

Interim Audits

I have carried out three interim exercises during the financial year and the results have already been reported to you together with any necessary comments.

Final Audit

The Final Audit is similar in nature to the interim audits but includes detailed work on the Final Accounts of the Council. All four audits are carried out in accordance with the detailed plans and specification agreed with you for the financial year.

Any items requiring action and reported to you at interim audit stage are reviewed as appropriate during the year to ensure compliance.

The following are the areas that have received attention by me in this final quarter: -

- (a) Bank reconciliations, bank transfers
- (b) Cash book maintenance
- (c) V.A.T. account
- (d) Approval of payments
- (e) Income and debtors
- (f) Final account production
- (g) Financial ledger
- (h) Payroll
- (i) Investments
- (j) Minute scrutiny
- (k) Budgets, budgetary control and provision of financial information
- (l) Financial controls
- (m) Corporate Governance

The matters I should like to bring to your attention from this fourth quarter are as follows:-

1. My AGAR Internal Audit Report contains a 'no' in respect of M which is the publication of the public rights notice re the external audit. This was not carried out and would have been around June 2020.

I believe there may have been confusing advice nationally regarding this subject area.

2 I referred in my previous reports this year to the need for certain documents to be signed which was impossible because of Covid restrictions. The catching up process is now well underway.

3 The General Fund balance has reduced from £125K to £65K.

Overview

Overall the Council has very good controls in place surrounding the financial and other systems, with appropriate books of account being properly maintained throughout the year.

I have been able to form an opinion with regard to adherence to Corporate Governance displayed by the Council and found this to be high.

I have therefore been able to sign Section 4 (Internal Audit) of the External Audit report that all control objectives were achieved during the year to a standard adequate to meet the needs of your Council.

Action Plan

Any recommendations identified as a result of this final audit and taking account of interim recommendations which may still require action are set out below:-

Recommendation	Priority	Officer Responsible	Agreed action date
Publish public rights notice re 20/21 audit	Immediate	R.F.O.	Immediate

Schedule of testing against control objectives

I set out in appendix 1 my findings in relation to the control objectives incorporated in the Annual Internal Audit Report required by the External Auditors. My tests throughout the year are a mixture of compliance and substantive tests.

I am grateful for the co-operation of all staff.

D M LATHAM



INTERNAL AUDITOR

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