

## **Year-end Internal Audit report for Bingham Town Council 2020-21**

### **Background and scope**

All Town and Parish Councils are required to implement an independent internal audit examination of their accounts and accounting processes annually. The Council complied with the requirements in terms of independence from the decision making process by appointing CAPLUS to provide this service. This report sets out those areas examined during the course of our visit to the Council for 2020-21 which took place on the 5<sup>th</sup> May 2021.

### **Internal Audit Approach**

As the Council's Internal Auditor we have a duty to complete the internal audit certificate in the Council's Annual Return, which covers the basic financial systems and requires assurances in fifteen separate areas.

In carrying out our internal audit review, we have continued to have regard to the materiality of transactions and their susceptibility to potential mis-recording or misrepresentation in the year-end Statement of Accounts.

### **Overall Conclusion**

We are pleased to conclude that, in the areas examined, the Council has excellent, effective systems in place to ensure that transactions are free from material misstatement and should be reported accurately in the Statement of Accounts for 2020-21. It is clear that the Clerk and her team work hard to ensure that robust systems are in place.

On the basis of the work undertaken this year, we have duly signed off the Internal Audit Certificate on the Annual Return, assigning positive assurances in each relevant area.

### **Detailed Report**

#### **Review of Accounting Arrangements & Bank Reconciliations**

Our objective is to ensure that the accounting records are being maintained accurately and are up to date; and also that there are no anomalous entries appearing in the cashbooks or financial ledgers. Accounting statements prepared during the year were prepared on the correct accounting basis and supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded. Bank reconciliations are completed on a regular basis and the cash books reconcile to the bank statements.

*All were in order, appropriate income and expenditure categories have been used; bank reconciliations are all undertaken on a regular and timely basis. Figures from the year-end trial balance can be traced through to individual transactions and to bank transactions. No issues have been identified in this area of our review. Opening figures were confirmed to the previous year's Statement of Accounts; monthly monitoring statements are produced throughout the year and all bank reconciliations were completed and up to date.*

#### **Review of Corporate Governance**

Our objective was to ensure that the Council has robust corporate governance documentation and procedures in place, that Council and Committee meetings are conducted in accordance with the adopted Standing Orders and that no actions of a potentially unlawful nature have been or are being considered for implementation.

*No issues have been identified in this area of our review.*

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## **Review of Expenditure**

Our aim here is to ensure that the Council's financial regulations have been met, payments were supported by invoices, all expenditure was approved and VAT was accounted for. Suitable quotations are obtained and formally considered for costlier works and all payments are coded to the appropriate expenditure code.

*We are pleased to report that our sample testing found no issues to report in this area.*

## **Assessment and Management of Risk**

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

*Risks are reviewed regularly, the risk register has been reviewed and is a comprehensive coverage of all areas. The Insurers would be notified of any changes that could affect the Council's policy.*

## **Precept Determination and Budgetary Control**

In this area of our work we aim to ensure that the Council has appropriate procedures in place to determine its future financial requirements leading to the adoption of an approved budget and formal determination of the amount to be precepted on the parent Council, that effective arrangements are in place to monitor budgetary performance throughout the financial year and that the Council has identified and retains appropriate reserve funds to meet future spending plans.

*There are no issues arising from our work in this area.*

## **Review of Income**

Our objective is to ensure that expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for. We took a sample of income transactions and checked against invoice, receipts and bank statements.

*We are pleased to report that no issues have been identified in this area.*

## **Petty Cash Account**

We did sample checks to ensure that petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.

*No matters arising in this area.*

## **Salaries and Wages**

Our objective is to ensure that Salaries to employees and allowances to members were paid in accordance with Council approvals, and PAYE and NI requirements were properly applied.

*Our sample testing showed that an appropriate PAYE system is in place, payments are being made correctly and all supporting paperwork is in place.*

## **Fixed Asset Register**

Our aim here is to ensure that asset and investment registers were complete and accurate and properly maintained.

*We are pleased to report that no issues have been identified in this area.*

## **Additional Comments / Recommendations**

We are pleased to report that there are no recommendations that I need to report at the end of the internal audit review this year.

I would like to record my appreciation to the Clerk of the Council and her staff for their excellent work and assistance during the course of the audit work.



on behalf of Community Accounting Plus

6<sup>th</sup> May 2021