

**INTERIM HALF YEAR REPORT BY THE INTERNAL AUDITOR
TO ULVERSTON TOWN COUNCIL
1ST APRIL 2020– 30TH SEPTEMBER 2020
FINANCIAL YEAR ENDING 31ST MARCH 2021**

The Local Audit and Accountability Act 2014 Sct 20(2) & 25 and The Accounts and Audit (England) Regulations 2015 (S1 2015/234) requires a Council to publish, as soon as reasonably practicable, after the conclusion of the audit, a statement on the website – www.ulverstoncouncil.org.uk that the audit has been completed.

The clerk has undertaken the requirement and the Annual Governance and Accountability Return, (AGAR) with all attendant information was publicly displayed upon receipt from the External Auditor – on the Council notice board and website – 27th September 2020.

To ensure complete compliance with all aspects of the Regulations, the times and days when the documentation can be viewed by the public is required to be inserted in the Notice of Conclusion of Audit Notice.

The Council received an unqualified audit report from the External Audit, with minor matters arising which did not prevent compliance with relevant Audit legislative and regulatory requirements. However the remarks did breach statutory legislation. The Clerk has responded to the comments and as noted above is compliant in this financial year.

I confirm I have, on the 24th November 2020 completed an internal audit for the period 1st April – 2020- 30th September 2020 in accordance with the Account and Audit Regulations (England) 2015 as outlined in the schedule previously circulated and approved by Council and incorporating any new requirements as outlined in “Governance and Accountability for Smaller Authorities in England” – March 2020.

I report as follows:-

Proper Bookkeeping

The Council compiles its annual accounts on an Income and Expenditure basis. Primary Accounts are kept in the Xero accounting package, which allocates all spending to the appropriate budget heading. Additionally primary records are kept in house for submission to the External Accountant, which serves as a cross-reference. All records are balanced monthly. A random check confirmed accuracy.

Financial Regulations, Standing Orders, Transparency Legislation Requirements

Financial Regulations were reviewed and adopted at the meeting held on 16th September 2019 Min. No. X70/1 and incorporates current legislation
Standing Orders are current.

Payment Controls

All payments are recorded in the accounting systems under the appropriate budget heading.

A comprehensive schedule of payments is prepared and presented for approval of the Council.

Invoice Procedure – Competitive Tendering Procedures

There is a clear audit trail to invoices and cheques and a sound system of internal Control is provided by the Clerk/RFO and verified by the signature of members and formal approval at meetings.

A random check was made on all expenditure incurred in the period 1st April 2020-30th September 2020

All had been competitively sourced and adhered to the principle of best value.

VAT

Claims are submitted quarterly which facilitates the early return of repayments of VAT to the Council. Claims are up to date as at 30th September 2020

The sums for both quarters are reconciled by the accountant from the Xero records and are submitted by them to HMRC.

Sct 137 Grant Payments

Ulverston Town Council is a General Power of Competence Council(GPC) and Sct 137 is not relevant as GPC is the “power of first resort”

Minutes

These are correctly numbered and paginated and a master copy kept securely.

Risk Management and Documentation/Safeguarding Policy

The risk assessment documentation is reviewed annually and evidence of review and adoption will be confirmed at the year-end audit.

Internal Financial Controls

There is a clear audit trail from primary financial records . The Council actively monitors public money spends in response to RFO reports and subsequently authenticates documents.

Budget Control

The budget is set in time to comply with the District Council’s timetable. There is regular monitoring of the budget.

Cash Reserves

It is a function of the Internal Audit to give an opinion on whether cash reserves are adequate or excessive as recommended by External Audit(i.e. a working balance of six to twelve months expenditure) Ulverston Town Council retains sufficient funds to fulfil budgeted obligations. The cash reserves include substantial earmarked funds for identified projects.

Income Controls

Income from all sources is promptly banked and there are checks in place to segregate cash collection from the banking procedures.

Clerk's Expenses/Petty Cash

All expenditure is regularly reported and allocated to budget heads with VAT Identified.

Payroll Control, PAYE, HMRC

All payments reflect salary scales approved by Council. Returns to HMRC are up to date. Periodic checks on the payroll operator are made to ensure accuracy.

Asset Controls

The Asset Register is monitored and all acquisitions and disposals are recorded. The documentation will be reviewed and adopted prior to the year-end to ensure accuracy for the completion of the 2021 Annual Return.

Insurance

Statutory and other insurance is in place and all assets, which are index linked are held on cover. The premium benefits from a term loyalty agreement until 19/11/2021

Bank Reconciliations

These are completed monthly on receipt of bank statements and accurately reflect the financial position of the council for each period. Bank reconciliations are confirmed by the signature of the Chairman

I wish to acknowledge the assistance of the Officers in providing substantial information via e-mail to facilitate the Audit process.



Internal Auditor
24th November 2020.