

# Fair Account

Fair Account  
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SO50 7LD

TEL: 07815 435 380

8 May, 2024

Frome Town Council  
Town Hall  
Christchurch Street West  
Frome  
Somerset  
BA11 1EB

Dear Mr Wynne

## **Internal Audit Report for Frome Town Council for 2/24 to 3/24**

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 by considering public sector internal auditing standards & guidance.

We can confirm that we are independent of the Town 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 Annual Governance and Accounts Return (AGAR) for 2023/24.

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

- 'Governance and Accountability for Local Councils – A Practitioners' Guide (England)' 2024
- The Accounts and Audit (England) Regulations 2015 (as amended).

This is the third & final audit in 2023/2024 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.

This review was conducted remotely, with consultations by Zoom link and telephone conference calls with the Business Manager (RFO) and Assistant Finance Officer (AFO). The AFO has provided full back-up information from the RBS Omega system, and continued access to the Audit folder held on the Town Council Server for the period February 2024 to March 2024 to support the current governance and financial management position of the Council. This included work on the Year-end AGAR return.

Further confirmation has been obtained of good practice and compliance with the Transparency Code Regulations 2015 from the Council's website.

As we conduct each interim internal audit visit and reviews through 2023/2024, we will use 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 all previous visits. This is acceptable practice for the External Auditor.

As part of this Internal Audit review, we checked:

**Bank Reconciliations for all 11 cashbooks (8 Bank a/cs, 2 Petty Cash & CCLA Deposit)**

- all Bank Reconciliations at 31 March 2024 were agreed, and no errors were noted. The overall Council holdings at Year-end were agreed as £1,447,780.97.

**Income and Expenditure incl. VAT, Barclaycard, PWLB Loan aspects & Asset purchases**

Test checks on income and expenditure items in this period were confirmed, and details are accurate to the records held by Council. Assets identified on paid invoices in the previous period (Electric Vehicle, Container, Football Ground & Timber Shelter) have now been added to the Asset Register. The Wild Play project items will be added to the Register when work is completed. The Asset register total was agreed at £5,497,311. PWLB loan for VP toilets was received at £149,947.50 (Code 700/ 2302). VAT for Qtr. 4 (£34,699.13) was checked & refund claimed from HMRC.

**Town Council Minutes & Website**

- Minutes of the Council were checked on the website for approvals and decisions made incl. approval of payments for February & March 2024. The Budget for 2024/25 was approved & Precept agreed at £2,553,158 (Min. 2024/013/FC). The Risk Register was reviewed at Oversight Ctte. on 31/1/24. The relevant website postings for all 2022/23 AGAR papers were correctly shown.

**Insurance**

Zurich policy YLL-272004 covering 6/11/23 to 6/4/24 is held for standard Council aspects. Gallaghers OSR policy 57540056 provides Cyber cover for 4/8/23 to 3/8/24.

We are pleased to report that the various records and procedures in place for the Council provide a very good standard of control during this audit period. Accordingly, the Internal Audit report part of the AGAR for 2023/24 has been completed & signed off. This report should be taken to the next meeting of the Council to inform them of the Internal Audit work carried out. This Report should also be minuted by the Council.

**Your sincerely**

**Paul Reynolds FMAAT**

# Annual Internal Audit Report 2023/24

FROM NAME OF AUTHORITY  
**FROM TOWN COUNCIL**

ENTER FULLY AVAILABLE WEBSITE/WEBPAGE ADDRESS  
**WWW.fromtowncouncil.gov.uk**

During the financial year ended 31 March 2024, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2023/24 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis ( <del>receipts and payments</del> or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2023-24 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Guidance Notes).	✓		
<b>O. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes ✓	No	Not applicable

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken: **29/11/23, 23/2/24 & 5/5/24**  
 Name of person who carried out the internal audit: **P. REYNOLDS F. MAAT**  
 Signature of person who carried out the internal audit: **P. Reynolds**  
 Date: **5/5/24**

\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).  
 \*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).