

Report to Bromyard & Winslow Town Council

Summary Report following second internal audit 2021/22

The work on 17th May followed the Internal audit plan for 2021/22. The audit was undertaken at the Council offices.

Main outcomes of the audit:

Overall, the accounting records continue to be maintained in good order and there are no areas of concern arising from the audit.

Furthermore, there are no specific recommendations arising out of this audit. On completion of the audit I have been content to sign off the Internal Audit report for the AGAR.

There were some recommendations following by January audit. I note progress has been made on all of these items. These are briefly covered below.

I note that following my audit in January 2022, the council have agreed to consider the options for longer term investment of funds. I recommend that this is followed up on during the Internal Audit in 2022/23.

I further note that following my last audit the accounts for the Bromyard Recreation Ground were filed on time for the year ending 31st March 2021.

I note the bank reconciliation checks are being dated.

One new item that arose and needs resolution in future was an accounting issue that arises from a mis-posted accrual for audit fees in 2019/20. I have previously reviewed this and considered it to be resolved. However, looking at the brought forward balances in April 2022 I now realised that the mis-posted journal was not reversed out correctly. I have discussed this with the Clerk and recommend an adjusting journal is posted in the 2022/23 accounts. This is because at the time of audit, the books have already closed for the 2021/22 accounting year. While, it needs correcting, I do not consider the issue materially alters the accounts for the 2021/22 accounting year.

Areas covered in the audit

The following details the areas covered in this audit. No issues of concern were found in any area covered.

Section A: Appropriate Accounting Records

- Confirmed cash books are up to date at the end of the year.
- Verified the cash book balances.
- Checked the Year end bank reconciliations.

Section B: Compliance with Financial Regulations and Standing Orders

- I checked the process for letting the contracts in connection with the “Great Places to Visit and Welcome Back Recovery Plan”. The clerk explained the process for invitations to tender and the subsequent process for project management. Given the tight timescales for delivery of the project, I consider the approach from the Council reasonable to ensure the success of the project, whilst being able to retain controls on the expenditure.
- I verified that payments made on the use of the debit card were subject to suitable scrutiny.

Section C: Risk Management

- I verified that Council have reviewed the risk register within the year.
- I reviewed the insurance policy documents from last year and saw the current year quotations.
- I checked with the clerk on the arrangements for Health and Safety Monitoring. These are in accordance with the risk register.

Section D: Budgetary Controls

- I confirmed the 2020/23 Budget was agreed by Full Council in accordance with the regulations.
- I ensured that budgets and variances are reviewed regularly.
- I reviewed the budget setting process to ensure the council has taken appropriate steps to set the precept for 2022/23 financial year.
- I checked the level of reserves held by the council are adequate and appropriate.

Section E: Income Controls

- Review the Aged Debtor position at the end of the year.
- I discussed with Clerk the process for managing income associated with burials.
- I verified that expected income was being received in a timely manner.

Section F: Petty Cash Procedures

- I checked the cash balances were correct on the day of the visit. These reconciled back to the year end balances.

Section H: Asset and Liability Control

- I reviewed the fixed assets register, to confirm the entries are up to date.
- I checked on the treatment of new and disposed assets.
- I checked the Loan balances and payments are as reported in the AGAR return are correct.

Section I: Bank reconciliations

- I confirmed that regular bank reconciliations have been undertaken during the year.

Section J: Correct Accounting Basis

- Reviewed the closing debtor and creditor balances. I confirmed these were reasonable.

As noted above there was an issue with the closing accrual figure and recommend an adjustment in the 2020/23 accounts.

Sections K and L of the AGAR are not relevant for the council because they apply to authorities that can exempt themselves from External Audit review

Section M and N: Exercise of Public Rights and publication of AGAR

- I verified the notice for the exercise of public rights in 2021 was displayed in accordance with the rules.
- I also verified the statutory disclosure rules have been met.

Section O: Trustee responsibilities

- I verified the Council has fulfilled it's responsibilities as a Trustee of the Bromyard Recreation Ground.
- Although this is not covered in my Internal Audit report to accompany the Annual Governance Statement I note the Annual Return to the Charity Commission for 2021 was submitted on time.

Finally, I completed the Internal Audit Report to accompany the Annual Governance Statement.

Luke Keegan, Greendawn Accounting Limited

18th May January 2022