

LRS Auditing

14 May 2021

Mrs T.Price
Presteigne Council Clerk,

Dear Mrs Price,

This is to verify the findings of the Internal Audit of Presteigne Town Council for the year April 2020 to April 2021.

Mrs Price has maintained appropriate accounts in an organised manner with a clear and thorough audit trail. Payments were verified through bank statements, the cheque books and invoices.

Salaries have been paid in accordance with Financial Regulations.

VAT has been claimed for appropriately.

The Council budget has been appropriately monitored and maintained throughout the year. The annual precept has been planned for and any significant variances have been noted.

Due to the Coronavirus pandemic changes to the banking checks and payments were forced upon the council but have been managed appropriately by the council. Internet banking is being used and bank statements reviewed by a council member.

Please note that Mrs Price has provided very organised accounts and additional information to support the internal audit.

I have enclosed the invoice for my work completed. If you have any questions regarding my audit, please don't hesitate to contact me.

Yours sincerely,

Lee Stephens

Internal Auditor

15 Eryn

Council Audit Plan 2020/21
Presteigne and Norton Town Council

1. Check the books of account have been properly kept throughout the year
2. Check payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved and VAT is correctly accounted for.
3. Review the Council's risk management assessment ensuring adequate arrangements are in place to manage all identified risks
4. Verify that the annual precept request is the result of a proper budgetary process, that budget process has been regularly monitored and that the Council's reserves are appropriate.
5. Check income records ensuring that the correct price has been charged, income has been received, recorded & promptly banked, & VAT is correctly accounted for
6. Review petty cash records to ensure that payments are supported by receipts, expenditure is approved & VAT is correctly accounted for
7. Check salaries to employees have been paid in accordance with Council approvals and that PAYE requirements have been applied
8. Check accuracy of asset and investment registers
9. Test accuracy and timeliness of periodic and year end bank account reconciliation
10. Test accuracy and completeness of year end financial statements.
11. Review and assess the Councils internet banking payment arrangements.
12. Any other appropriate additional relevant testing to support the validity and integrity of the above.

| Internal Audit - Question/action list – 2020/21 accounting year PRESTEIGNE AND NORTON TOWN COUNCIL | | | |
|---|---|---|---|
| 1 | | Appropriate books of account properly kept throughout the year? | ✓ |
| 2 | a | Appointed responsible financial officer with duties listed in Financial Regs or elsewhere? | ✓ |
| | b | Fin Regs. in place & regularly reviewed? | ✓ |
| | c | Standing Orders in place & regularly reviewed? | ✓ |
| | d | Delegated Powers on expenditure in place & adhered to? | ✓ |
| | e | Payments supported by invoices? | ✓ |
| | f | Expenditure properly approved? | ✓ |
| | g | VAT shown separately? Is there any thing unusual in the reconciliation? Has a VAT refund been requested recently, if not is the VAT paid since the last refund at a level that is sensible to request a refund? | ✓ |
| 3 | a | Have the risks been listed and a start been made on assessment and minimisation of risk? | ✓ |
| | b | Is there sufficient management of risk? | ✓ |
| | c | Insurance in order and the correct things covered? | ✓ |
| | d | Members check the accounts OR internal audit at least twice a year | ✓ |

| | | | |
|----|---|---|---|
| | | and report back to council?. | |
| | e | Are balances invested in the best safe account? | ✓ |
| | f | Initialled cheque stubs? | ✓ |
| | g | Regular internal audit? | ✓ |
| | h | Minute showing appointment of internal auditor? | ✓ |
| 4 | a | Council budgeted in a clear and adequate way? | ✓ |
| | b | Checks in place to ensure correct precept has been received? | ✓ |
| | c | Clerk or RFO report to council regularly to give progress reports on expenditure verses budget? | ✓ |
| | d | Reserves/balances appropriate? Is/are there specific project(s) for balances in excess of the annual precept? | ✓ |
| 5 | a | Was income received/expected? Did income equal expected income? If not why not? | ✓ |
| | b | System of receipt of income ensures that it is properly recorded and promptly banked? | ✓ |
| | c | VAT on income properly accounted for? | ✓ |
| 6 | a | Adequate check on petty cash? | |
| | b | Payments properly supported by receipts/invoices? | |
| | c | Expenditure approved? | |
| | d | VAT properly accounted for? Reclaimed on petty cash? | |
| 7 | a | Clear minute and contract which details the employees' pay and conditions | ✓ |
| | b | Employee(s) paid by/to those decisions? | ✓ |
| | c | PAYE and NI payments been made (if required) or written contact been made with the Inland Revenue giving details of taxable income? | ✓ |
| | d | Staff pension/gratuity? Minuted? Held in reserves? HMRC approval for service to 5 April 2006? | ✓ |
| 8 | a | Asset & investment registers? | ✓ |
| | b | Complete? | ✓ |
| | c | Accurate? | ✓ |
| | d | Maintained? | ✓ |
| | e | Checked/modified at least yearly eg. at annual council meeting? | ✓ |
| 9 | a | Cash book up to date, correctly sub-totalled and accounts reconciled at least once per quarter? | ✓ |
| | b | Clear record of the end of year statement? | ✓ |
| 10 | a | Accounts prepared on correct basis? | ✓ |
| | b | Agree with the cash book? | ✓ |
| | c | Supported by an adequate audit trail | ✓ |
| | d | A record of debtors and creditors? | ✓ |
| | e | Clear separate list of S137 payments | ✓ |
| | f | Year end accounts clear and accurate? | ✓ |
| | g | All account balances shown? | ✓ |
| | h | Correct supporting statements? | ✓ |
| 11 | a | Other risks been covered adequately? | ✓ |
| | b | Data Protection Registration held if needed & current/appropriate? | ✓ |
| | c | Electronic data backup arrangements adequate? | ✓ |
| 12 | A | Review Internet Banking payment arrangements | ✓ |

I confirm that I have carried out the internal audit for Presteigne and Norton Town Council and I have no issues to raise/have issues to raise as attached (delete as appropriate).

Signed  L. Stephens, Internal Auditor

Date 12/5/21