

LRS Auditing

11 April 2022

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 2021 to April 2022.

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.

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

LRS Auditing

9 Glandwr, Newtown, Powys SY16 1RE

07528 163275

Lee.stephens83@gmail.com

Annual internal audit report to:

Name of body: PRESTCIGNE + NORTON TOWN COUNCIL

The Council/Board/Committee's internal audit, acting independently and on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2022.

The internal audit has been carried out in accordance with the Council/Board/Committee'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 the internal audit conclusions on whether, in all significant respects, the following control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the Council/Board/Committee.

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
1. Appropriate books of account have been properly kept throughout the year.	✓				
2. Financial regulations have been met, payments were supported by invoices, expenditure was approved and VAT was appropriately accounted for.	✓				
3. The body assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓				
4. The annual precept/levy/resource demand requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate.	✓				
5. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	✓				
6. Petty cash payments were properly supported by receipts, expenditure was approved and VAT appropriately accounted for.			✓		
7. Salaries to employees and allowances to members were paid in accordance with minuted approvals, and PAYE and NI requirements were properly applied.	✓				
8. Asset and investment registers were complete, accurate, and properly maintained.	✓				

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
9. Periodic and year-end bank account reconciliations were properly carried out.	✓				
10. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments/income and expenditure), agreed with the cashbook, were supported by an adequate audit trail from underlying records, and where appropriate, debtors and creditors were properly recorded.	✓				
11. Trust funds (including charitable trusts). The Council/Board/Committee has met its responsibilities as a trustee.			✓		

For any risk areas identified by the Council/Board/Committee (list any other risk areas below or on separate sheets if needed) adequate controls existed:

	Agreed?				Outline of work undertaken as part of the internal audit (NB not required if detailed internal audit report presented to body)
	Yes	No*	N/A	Not covered**	
12.					
13.					
14.					

* 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).

** 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, internal audit must explain why not.

[My detailed findings and recommendations which I draw to the attention of the Council/Board/Committee are included in my detailed report to the Council/Board/Committee dated 11th April 2022.] * Delete if no report prepared.

Internal audit confirmation

I/we confirm that as the Council's internal auditor, I/we have not been involved in a management or administrative role within the body (including preparation of the accounts) or as a member of the body during the financial years 2020-21 and 2021-22. I also confirm that there are no conflicts of interest surrounding my appointment.

Name of person who carried out the internal audit:

LEE STEPHENS

Signature of person who carried out the internal audit:

[Signature]

Date:

8/04/2022

Council Audit Plan 2021/22
Presteigne and Norton Town Council

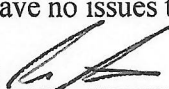
1. Check the books of account have been properly kept throughout the year
2. Check payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved and VAT is correctly accounted for.
3. Review the Council's risk management assessment 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 – 2021/22 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?	N/A
	b	Payments properly supported by receipts/invoices?	N/A
	c	Expenditure approved?	N/A
	d	VAT properly accounted for? Reclaimed on petty cash?	N/A
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 8/4/22