

Town Parish Audit
9 Butlers Wharf
Hebden Bridge
West Yorkshire
HX7 8AF

The Clerk
Earby Town Council
clerk@earbytowncouncil.org.uk

23 April 2021

Dear Clerk

Internal Audit of the Accounts for Financial Year ending 31st March 2021

I am pleased to inform you that the internal audit of **Earby Town Council** is complete.

The tests and checks as per attached list were carried out.

Cashbook and bank reconciliation

The cashbook and bank reconciliation statement were agreed to the 31 March 2021.

VAT claim

VAT was evidenced correctly in the cashbook along with evidence of VAT returns as appropriate.

Budget

The compilation of the Council's budget for the year was reviewed and I can confirm that it has been properly compiled and effectively underpins the precept demand. I can also confirm that progress against the budget was monitored on a regular basis.

Minutes

The Council's minutes were reviewed. The samples on the website were prepared for signing and were paginated.

Insurance

Insurance cover is in place and is adequate for the major liabilities faced by the council.

Annual Governance and Accountability Return 2020/2021

I checked the figures in section 2 of the return and found them to be correct and ready for submission to the external auditor.

Appropriate explanations for the 2019-20 to 2020-21 variances in the annual return were provided via the AGAR variance completed form but at the time of the internal audit these did not, in parts, include detailed financial information as required by the external auditors.

For information:

Box F As there was no evidence of the use of petty cash this has been entered as "not covered"

Box K As the authority had a limited assurance review of its 2019/20 AGAR this has been entered as "not covered"

Box L As the authority had an annual turnover exceeding £25,000 this has been entered as “not covered”

For Action:

Box M Entered as a ‘No’ as per External Auditor’s report: ‘we note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as amended by SI 2020/404 the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 as it failed to make proper provision during the year 2020/21 for the exercise of public rights, since the approval date (27/07/2020) was after the start of the period for the exercise of public rights (15/06/2020). As a result, the smaller authority must answer ‘No’ to Assertion 4 of the Annual Governance Statement for 2020/21 and ensure that it makes proper provision for the exercise of public rights during 2021/22.’

Note the external audit for 2019-20 stated that:

The AGAR was not accurately completed before submission for review: Please note that Box 4 should comprise all payments made in relation to the employment of staff including only employment expenses which are benefits (mileage, travel, etc.) but not items of reimbursement of expenses for postage, stationery or other outlays such as work-related training expenses made on behalf of the smaller authority. Please note the Practitioners’ Guide 2020 has been updated to clarify the position from 1 April 2020 in paragraph 2.16 as follows: “Staff costs for the purpose of Line 4 include gross salary of employees, employer’s national insurance contributions, employer’s pension contributions, gratuities for employees or former employees and severance or termination payments to employees.” Please restate the 2019/20 Boxes 4 and 6 in next year’s prior year comparatives in line with the clarified position.’

In accordance with the above these figures should be restated on the 2020-21 AGAR

Internal Controls

I confirm that I have carried out appropriate tests and checks on the accounts and internal controls as detailed on the accompanying Independent Internal Audit check list and found them to be satisfactory.

I can also confirm that all original and additional information requested was provided in an efficient, detailed and timely manner.

Yours sincerely



Naomi Goddard

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