

Internal Audit Report

(to be read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return)

Name of council:	Ashby de la Zouch Town Council		
Name of Internal Auditor:	Hannah Surtees	Date of report:	23 April 2021
Year ending:	31 March 2021	Date audit carried out:	23 April 2021

Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the staff and management and not left for internal audit.

The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.

To the Chairman of the Council:

I attended the Offices of Ashby Town Council on 23 April 2021 in accordance with the Council's coronavirus safe working practices to carry out the internal audit. I would like to thank Jack Fargher (Town Clerk and Responsible Financial Officer) for accommodating me in isolation to safely conduct the audit and for his time and assistance.

A series of independent audit tests was undertaken using the various financial records, vouchers, documents, minutes and the previous audit report to ascertain the efficiency and effectiveness of the Council's internal controls.

Internal Control

1. The accounts are completed in a timely manner and bank statements, along with bank reconciliations, are reported to Council on a quarterly basis.
2. The Council reviewed and modified its Standing Orders to support the new empowerment enshrined in the Coronavirus Act 2020 and associated 2020 Regulations that permitted the holding of virtual meetings.

Financial Management

3. The Town Council reviewed its current banking arrangements during 2020-21 and created an Investment Policy to ensure that the Council's funds are managed properly and invested appropriately, whilst having regard to the Ministry of Housing, Communities and Local Government (MHCLG) statutory guidance on local government investments (sections 5.28 to 5.30 of Governance and Accountability for Smaller Authorities in England (March 2020)).

4. During the 2020-21 financial year, the Town Council introduced a General Reserve Policy to help ensure that its current level of reserves was sufficient to finance unexpected expenditure or emergencies (section 5.32 of Governance and Accountability for Smaller Authorities in England (March 2020)).
5. The Town Council's income streams were unavoidably impacted as a result of the coronavirus pandemic, and whilst a grant was received from North West Leicestershire District Council to help offset this reduction during 2020-21, the Town Council continues to carefully consider the long-term financial impact of the coronavirus crisis.

Governance

6. At the start of the 2020-21 financial year a scheme of delegation was in place for the Town Clerk to determine urgent matters in conjunction with the Leader of the Town Council and the appropriate Committee chairmen, provided that it did not contradict with matters expressly reserved to the Town Council in legislation or in its Standing Orders or Financial Regulations.

All decisions taken under this delegation, as a result of the coronavirus pandemic, were documented and approved by the Town Council on 27 July 2020. Whilst a virtual meeting could have been held sooner than this date, the Town Clerk and Council staff are to be commended for the way in which they managed to keep local services running so efficiently for their community in such uncertain times.

By reviewing the hard evidence, discussing with the Clerk, and selectively testing a number of transactions, I am satisfied that the Council is operating sound policies and procedures which enable it to deliver its services and fulfil its responsibilities effectively and efficiently. I have tested all the Internal Control Objectives I am required to consider, and in all significant respects, the objectives have been met. I have therefore completed the Internal Audit Report section of the Annual Governance and Accountability Return.

This report is based on the evidence made available to me. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council in order to detect error or fraud. Consequently, the report is limited to those matters set out.

Yours sincerely,



Hannah Surtees
LRALC Internal Auditor

The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2020	Year ending 31 March 2021
1. Balances brought forward	233,664	188,315
2. Annual precept	441,799	484,882
3. Total other receipts	302,122	188,067
4. Staff costs	301,395	308,082
5. Loan interest/capital repayments	40,180	40,180
6. Total other payments	447,695	361,847
7. Balances carried forward	188,315	151,155
8. Total cash and investments	164,545	234,336
9. Total fixed assets and long term assets	3,573,989	3,837,514
10. Total borrowings	656,884	644,258

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2018)*. It is a guide to the accounting practices to be followed by local councils and sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

<http://www.leicestershireandrutlandalc.gov.uk/uploads/governance-and-accountability-for-smaller-authorities-in-england-2019-sections-1-5-1.pdf>