

Annual Internal Audit Report 2020/21

KNARESBOROUGH TOWN COUNCIL

www.knaresboroughtowncouncil.gov.uk

During the financial year ended 31 March 2021, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2020/21 has been carried out in accordance with this authority'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 alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")			✓
L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.			✓
M. The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.	✓		

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

10/03/2021

02/06/2021

Name of person who carried out the internal audit

Janet Bennett Yorks Internal Audit Service

Signature of person who carried out the internal audit

Janet L. Bennett

Date

02/06/2021

*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).

**Note: 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, the annual internal audit report must explain why not (add separate sheets if needed).

Section 2 – Accounting Statements 2020/21 for

Knaresborough Town Council

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
1. Balances brought forward	114,380	129,616	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records. Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	132,730	142,730	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	45,735	42,190	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	47,930	47,679	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	115,299	79,726	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	129,616	187,131	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	129,616	187,131	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	932,949	940,949	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
	✓		N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2021 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Date

I confirm that these Accounting Statements were approved by this authority on this date:

as recorded in minute reference:

Signed by Chairman of the meeting where the Accounting Statements were approved

YORKSHIRE INTERNAL AUDIT SERVICES
JASPER COTTAGE, SESSAY, THIRSK, NORTH YORKSHIRE YO7 3BE
TELEPHONE 01845 501660

Ms Angela Pulman
Clerk to Knaresborough Town Council
Knaresborough House
High Street
Knaresborough
North Yorkshire
HG5 0HW

Dear Ms Pulman

**To the Mayor and Members of Knaresborough Town Council
Internal Audit of Accounts for the Financial Year ending 31 March 2021
Final Visit**

I am pleased to inform you that the internal audit is complete. Appropriate tests and checks have been carried out on the accounts and management arrangements to confirm that the systems of financial and other controls over the council's activities and operating procedures are effective. Unfortunately, no visit to the council was possible again due to the continuing effect of the pandemic on work and travel arrangements, therefore the audit has been carried out online and by discussion with the clerk. Following that I can confirm that internal controls are operating as expected and there are no matters to give cause for concern.

Outstanding action on the matter raised in my previous report is discussed in the following paragraphs. There are no new matters to bring to members attention. The Annual Internal Auditors Report contained within the Annual Governance and Accountability Return 2020/21 has been completed as required.

Annual Governance Arrangements

As part of its Annual Governance Statement the council declare that they have made proper arrangements for the safeguarding of public money and have a sound system of internal control. This is demonstrated by the key documents councils should have in place, which includes Standing Orders, Financial Regulations, Risk Management Strategy and a System of Internal Control.

Previous reports have commented on the good arrangements the council has in place for ensuring adequate financial management including Standing Orders, Financial Regulations, and a Financial Risk Assessment but that reviews had not been carried out since 2018/19 or earlier for some documents.

I recommended that reviews of all these key documents were carried out as soon as practically possible given the current pandemic, to ensure that they remain relevant, are being adhered to and that any new risks are identified and appropriate measures put in place to address those risks.

Since then, Standing Orders have been reviewed but planned reviews of other documents were again delayed partly due to the difficulties of holding appropriate meetings during the pandemic.

I understand that Financial Regulations and the Financial Risk Assessment have been prepared for review by staff for the Office Services Committee to consider before adoption by the next full council meeting.

I recommend that regular reviews of key documents are timetabled to be carried out throughout the year to correspond with scheduled council meetings

I would like to thank the Clerk for her assistance during the audit.

Yours sincerely



JL Bennett
2 June 2021

PARTNERS ~ KC Stephenson	Tel: 0113 2585610
RF Entwistle	Tel 01423 797817
PRINCIPAL AUDITOR ~ Mrs JL Bennett	Tel: 01845 501660