

FINAL REPORT BY THE INTERNAL AUDITOR TO PENRITH TOWN COUNCIL
1ST APRIL 2022- 31ST MARCH 2023
FINANCIAL YEAR ENDING 31ST MARCH 2023

Introduction

This final report for the financial year 1st April 2022 to 31st March 2023 covers elements required by the Account and Audit Regulations (England) 2015 which were not covered in the interim report for the period 1st April 2022 – 30th December 2022.

I confirm I have, on the 18th April 2023 undertaken a final audit which covers the period 1st January 2023 to 31st March 2023 in accordance with the Account and Audit Regulations (England) 2015 as outlined in the schedule previously circulated and approved by Council and incorporating any new requirements as outlined in “Governance and Accountability for Smaller Authorities in England” March 2023

Appropriate accounting records have been kept throughout the year.

The completed 2023 Annual Governance and Accountability Return (AGAR) confirms that the closing balance at 31st March 2022 has been correctly carried forward to 1st April 2023 to commence the financial year.

The bank reconciliation at 31st March 2023 correctly reflects the balances on all bank accounts.

The Council having reserve cash funds in excess of £100,000 has identified the need for an investment strategy with clear aims and objectives, namely to consider security, liquidity, yield, here listed in order of priority.

The Council has a comprehensive investment policy, and strategy for reserves, which were adopted 19th January 2023.

A full report was available for inspection which had been prepared for presentation to the Finance Committee to be held on 24th April 2023 and to be further ratified at the full Council meeting in May. The investment strategy is to be subject to review annually.

The authority complied with its financial regulations, invoices supported payments, all expenditure was approved and VAT was accounted for.

The rigorous tendering process for goods and services was evidenced by the documentation made available. All tenders and quotes adhere to the up to date Financial Regulations.

A selection of financial transactions was reviewed in excess of £2000.00 all were supported by a clear audit trail.

Vat reclaims are prepared on a monthly basis. Evidence was available to confirm the reclaims for January, February and March. – Sage Reconciliation, Sage Transactions and HMRC verification.

The claim for the final month of the financial year 31st March 2023 had been reconciled and submitted to HMRC - £1339.51.

The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

All aspects of this section were covered in the interim report. Further financial risks were identified and controls documented in the report to the Finance Committee when recommended to review the outturn report for the financial year 31st March 2023 and recommend its acceptance to Full Council

The Precept requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored and reserves are appropriate.

The Responsible Financial Officer (RFO) with full explanations of the recommendations prepares a budget report and it is presented to the Finance Committee for approval and development prior to recommendations being made to Council. The Council subsequently approves the budget and notes in the Minutes the precept to be requested for the 2023-2023 financial year. -

The budget is set in time to comply with the District Council's timetable.

Expected income was fully received based on correct prices, properly recorded and promptly banked and VAT appropriately accounted for.

The Council has minimal income from sources other than the Precept. Where received, it is properly recorded and promptly banked. No cash income.

The Council has 200 allotment plots allocated over 4 sites. Penrith Allotment Association operates the sites on the Council behalf.

Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.

The Council does not operate a Petty Cash account. Sums incurred on Debit Cards are fully supported by invoices/receipts. VAT is identified and purchases are allocated to the appropriate budget headings.

Salaries to employees and allowances to members were paid in accordance with the authority's approvals and PAYE and NI requirements were properly applied

All payments reflect salary scales approved by Council. Returns to HMRC are processed by the external accountant. The record with all deductions for staff was properly prepared and available for inspection.

Assets and investments register were completed and accurate and properly maintained.

The Asset Register for the current financial year has been completed and will be reviewed and adopted, as it is annually, to a scheduled timetable ensuring accuracy for completion of the 2022-2023 AGAR.

All investments adhere to the Investment Strategy.

Accounting statements prepared during the year were prepared on the correct accounting basis – income and expenditure , all schedules, etc agreed and were supported by an adequate audit trail from the core Sage accounts. Debtors and Creditors were properly recorded. The Council has published on the website all documentation required under relevant legislation.

The Council accounts are prepared on an Income and Expenditure basis as required by the Accounts and Audit regulations being an authority with income/ expenditure in excess of £200,000. The Sage Accounts clearly identifies Debtors, Creditors, Receipts in Advance, and Accruals.

It is confirmed that the Council is fully compliant with requirements to publish information in line with relevant legislation.

The audit reports confirm that Penrith Town Council has fulfilled its statutory obligations and all finance and procedures comply with legislation. The comprehensive website ensures the electorate is fully aware of the use of all public funds.

I wish to express my appreciation to the Responsible Financial Officer for the of preparation all relevant financial documents and reports and for the assistance of the Town Clerk and all Officers for comprehensive governance documents and the completeness of information on the website which facilitated the audit.

A handwritten signature in black ink, appearing to read 'G. Airey', with a stylized flourish at the end.

Georgina D Airey - Internal Auditor – 20th April 2023.