

SHEPTON MALLET TOWN COUNCIL

Meeting	Policy and Resources Committee, Item 7.9
Date	5 th January 2021
Author	Liz Evans, Responsible Financial Officer
Subject	Internal Audit Report

1.0 PURPOSE OF REPORT

- 1.1 To inform Councillors of the outcome of the recent internal audit, which took place during November 2020 for the financial year ending 31st March 2021. The internal audit report is attached at Appendix A.
- 1.2 To note the actions that must be put in place as a result of that visit.
- 1.3 To note that the internal controls that are in operation are adequate to meet the needs of the town council.
- 1.4 To note that this report must also be submitted to full council for consideration.

2.0 BACKGROUND INFORMATION

- 2.1 The council is subject to an internal audit, the requirements of which are laid down in the Accounts and Audit (England) Regulations 2015. Shepton Mallet Town Council engaged the services of Auditing Solutions Ltd to act as the internal auditor. Chris Hall from Auditing Solutions was provided with information (due to not being able to visit the office), to enable him to undertake a thorough audit of accounting practices and to validate the governance of the council, including risk management and control.

3.0 OBSERVATIONS FROM THE RECENT AUDIT VISIT

- 3.1 The following observations and recommendations have been advised by the internal auditor from the information provided.

3.2 Accounting Arrangements & Bank Reconciliations

- R1. Consideration should be given to reducing the balance the with Unity Trust, by taking out short-term investment accounts to both optimise interest earnings and spread risk.

Action: Officers to recommend to a future meeting an investment strategy and identified accounts where funds can be moved to.

- R.2 Once the normal pattern of open meetings has resumed, Council should ensure that bank reconciliations are properly approved and certified in accordance with internal control requirements.

Action: The RFO will print off and provide the Chair of the Council a set of bank reconciliations to sign to satisfy this recommendation.

3.3 Review of Corporate Governance

R.3 Council should confirm the use of the General Power of Competence on an annual basis.

Action: This recommendation is noted and a report is provided to this meeting.

R.4 Council should consider adding to, and providing a clear reference to, its published financial information in accordance with the Transparency Code.

Action:

Action: To provide a statement on the website to confirm the reference to the Transparency Code.

3.4 Investments and Loans

R.5 The revised Investment Strategy should reflect the placement of current and future long-term funds.

Action: See R1 above

3.5 Review of Fixed Asset Registers

The valuations on the Asset Register as at 31 March 2021 should be reviewed to include nominal values for the four assets identified, and the CCLA long-term investment.

Action: to update the asset register.

4.0 RECOMMENDATIONS

4.1 For Councillors to note and agree with this report and recommend to full council that this report be adopted.

4.2 To delegate responsibility to the RFO to carry out the actions.