

Peter Bassett

Local Council Audit



Sarah Eden
Town Clerk
Prudhoe Town Council
58 Front Street
Spetchells Centre
Prudhoe
Northumberland
NE42 5AA

18 April 2021

Dear Sarah,

Internal audit for the 2020/2021 financial year.

I have completed the internal audit of the Town Council's accounts for the 2020/2021 financial year.

The audit was guided by the Town Council's Financial and Management Risk Assessment Reports.

The audit has been carried out in accordance with the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission, which requires compliance with relevant United Kingdom audit standards.

Queries arising from the audits have been answered to my full satisfaction and where considered necessary adjustments have been made.

Please find enclosed my assessment of the system of internal control and my audit checklist giving details of the work carried out.

I certify that I have completed the audit of the summary accounts and associated accounting notes of the Prudhoe Town Council which have been prepared by the Responsible Financial Officer.

The audit included examination of evidence relevant to the amounts and disclosures in the summary accounts and notes, sufficient to give reasonable assurance that the summary

accounts and notes are free from material misstatement. In my opinion the summary account presents fairly the receipts and payments of Prudhoe Town Council for the financial year ended 31 March 2021.

I have completed the internal audit section of the AGAR return.

Please find enclosed my invoice for the work carried out.

Kind regards,

A handwritten signature in black ink that reads "Peter Basnett". The signature is written in a cursive style with a horizontal line underlining the name.

Peter Basnett

Internal Auditor

SYSTEM OF INTERNAL CONTROL

I provided an internal audit service for Prudhoe Town Council for the financial year ended 31 March 2021 and, acting independently; I examined the system of internal control by undertaking the following tests and reported my findings to the Council.

		Test Done Yes or No
1	Checking that books of account have been properly kept throughout the year	Yes
2	Checking payments (100%) to ensure that the Council's financial regulations have been met, invoices support payments, expenditure is approved and VAT is correctly accounted for	Yes
3	Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks.	Yes
4	Verifying that the annual precept request is the result of a proper budgetary process; that the budget process has been regularly monitored and that the Council's reserves are adequate	Yes
5	Checking income records (100%) to ensure that correct prices have been charged, income received, recorded and promptly banked and VAT is properly accounted for.	Yes
6	Reviewing petty cash records to ensure receipts support payments, expenditure is approved and VAT is correctly accounted for.	No petty cash imprest held
7	Checking that salaries to employees have been paid out in accordance with Council approvals and that PAYE and NI requirements have been properly applied.	Yes
8	Checking the accuracy of the assets and investment records	Yes
9	Testing the accuracy and timeliness of periodic and year-end bank account reconciliations.	Yes
10	Year-end testing on the completeness and accuracy of the financial statements	Yes
11	Checking that during the previous year (2019/2020), the Town Council correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.	Yes
12	The Town Council has complied with the publication requirements for 2019/20 AGAR	Yes

On the basis of my examination, which is limited to the tests indicated above, in my view that Council's system of internal controls is in place, adequate for the purpose intended, and effective, and, where appropriate, I have made recommendations to the Council.



Internal Auditor

18 April 2021