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accountancy and audit services

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Chair of Tuxford Town Council
The Beeches
Birch Court
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Dear Councillor Moorhouse

I was asked to undertake your internal audit for 2019/20, and I present my interim report below. I will complete my audit shortly, when the final accounts are available.

Precept and budget

1. I confirmed the Council's precept for 2019/20 of £106,939 to the notification from Bassetlaw DC and the bank account. The minute recording the precept in January 2019 referred to an increase of 5%, but not the actual amount of the precept. I am pleased however, that in January 2020, the amount was recorded in the minutes, but without the percentage. It would be better if both were recorded.
2. I was not able to confirm that the precept increase of 5% was based on a budget. However, subsequently a budget was prepared and used as a basis for reports comparing actual to budget throughout the financial year.

Payments

3. I reviewed payments for April and November 2019, and generally found invoices to support payments made, except for the following.
 - Star Pubs and Bars £525.00 – no invoice was present (I understand that there has been difficulty obtaining these, but that they have been obtained for subsequent quarterly payments – this is important for VAT purposes.)
 - Donation for £100.00 to Tuxford Youth Football club – no supporting documentation was present.

I understand that the Clerk intends in future to arrange all invoices in order to support the accounting system's schedule of payment for each month. This will assist in ensuring that all payments are correctly evidenced.

Internal Control

4. Section 6 (1) (a) of the Accounts and Audit Regulations require that an annual assessment of the effectiveness of internal control be made and presented to the Council. This review was made, and it was formally reported to the Council. In March 2020.

Risk Assessment

5. The Council considered and approved a Risk Assessment in March 2020.

Asset Register

6. The Asset Register is regularly updated and the position at 31 March 2020 will be presented to the Council in April 2020.

Payroll

7. Encouragingly, all contracts of employment are now signed. I was able to confirm that payments made to staff were in line with amounts agreed by the Council.

Income

8. I reviewed income and found most sums received to be properly accounted for and banked. However, there was some confusion in tracing allotment payments. The schedule of banking showed an on-line payment of £24 for Plot 1 on 25 March 2019, which seemed to be erroneous; in fact the payment for Plot 1 was £16 in January 2019.

I recommend that on-line payments not be included in the banking schedule (as this relates just to cash and cheques received); that receipt numbers be added to the schedule; and that the allotment schedule records the amount and date paid for each plot (at present it only partly does this).

Bank Reconciliations

9. Monthly bank reconciliations are prepared and presented to the Council.

Investments

10. The Council has now adopted an Investment strategy as required by the Statutory Guidance issued under Section 15(1)(a) of the Local Government Act 2003.

Conclusion

11. As a result of my findings above, I anticipate being able to give a positive response to the Internal control objectives, except for the requirement relating to the precept being supported by a budget.
12. I would like to thank the Town Council's Clerk for her hospitality and assistance during my audit.

Yours sincerely,

P R Parkin CPFA