

Annual Governance and Accountability Return 2020/21 Part 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
 - are unable to certify themselves as exempt (fee payable); or
 - have requested a limited assurance review (fee payable)

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return 2020/21

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 **must** complete Part 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. **The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:**
 - The **Annual Internal Audit Report must** be completed by the authority's internal auditor.
 - **Sections 1 and 2 must** be completed and approved by the authority.
 - **Section 3** is completed by the external auditor and will be returned to the authority.
3. The authority **must** approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both **must** be approved and published on the authority website/webpage **before 1 July 2021**.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, **must** return to the external auditor by email or post (not both) **no later than 30 June 2021**. Reminder letters will incur a charge of £40 +VAT:
 - the Annual Governance and Accountability Return Sections 1 and 2, together with
 - a bank reconciliation as at 31 March 2021
 - an explanation of any significant year on year variances in the accounting statements
 - notification of the commencement date of the period for the exercise of public rights
 - Annual Internal Audit Report 2020/21

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability **Section 1, Section 2 and Section 3 – External Auditor Report and Certificate** will be returned to the authority by email or post.

Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2021 authorities **must** publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2020/21**, approved and signed, page 4
- **Section 2 - Accounting Statements 2020/21**, approved and signed, page 5

Not later than 30 September 2021 authorities **must** publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review.

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.

Guidance notes on completing Part 3 of the Annual Governance and Accountability Return (AGAR) 2020/21

- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty), and is properly signed and dated. If the AGAR contains unapproved or unexplained amendments, it may be returned and additional costs will be incurred.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2021.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- Do not send the external auditor any information not specifically requested. However, **you must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chairman, and provide relevant authority owned generic email addresses and telephone numbers.**
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (**Section 2, page 5**). An explanation **must** be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide**.
- Explain fully significant variances in the accounting statements on **page 5**. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the external auditor has to review unsolicited information, or receives an incomplete bank reconciliation, or variances are not fully explained, additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2020) equals the balance brought forward in the current year (Box 1 of 2021).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2021**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?	✓	
	Has all additional information requested, including the dates set for the period for the exercise of public rights , been provided for the external auditor?	✓	
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?	✓	
Section 1	For any statement to which the response is 'no', has an explanation been published?	✓	
Section 2	Has the authority's approval of the accounting statements been confirmed by the signature of the Chairman of the approval meeting?	✓	
	Has an explanation of significant variations from last year to this year been published?	✓	
	Has the bank reconciliation as at 31 March 2021 been reconciled to Box 8?	✓	
	Has an explanation of any difference between Box 7 and Box 8 been provided?	✓	
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested.	✓	

* *Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices*, can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

Annual Internal Audit Report 2020/21

AMBLE TOWN COUNCIL

WWW.AMBLE.GOV.UK

PUBLICISEX/AVAILABLE/WEBSITE/WEBPAGE/ADDRESS

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. <i>(If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")</i>			✓
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 <i>(evidenced by the notice published on the website and/or authority approved minutes confirming the dates set)</i> .	✓		
N. The authority has complied with the publication requirements for 2019/20 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	✓		

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

Name of person who carried out the internal audit

18/10/2020 21/05/2021 22/05/2021

P. B. BASNETI

Signature of person who carried out the internal audit

PB Basneti

Date

24/05/2021

*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 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

AMBLE TOWN COUNCIL
ENTER NAME OF AUTHORITY

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2021, that:

	Agreed		'Yes' means that this authority:	
	Yes	No*		
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>	
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>	
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>	
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>	
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>	
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>	
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>	
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>	
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A	<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>
			✓	

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.


This Annual Governance Statement was approved at a meeting of the authority on:

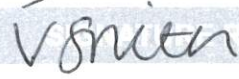
10/06/21

and recorded as minute reference:

56.6

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman  SIGNATURE REQUIRED

Clerk  SIGNATURE REQUIRED

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Section 2 – Accounting Statements 2020/21 for

EMBLE TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2020 £	31 March 2021 £	
			<i>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.</i>
1. Balances brought forward	240,242	236,824	<i>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.</i>
2. (+) Precept or Rates and Levies	199,360	211,340	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	58,566	47,311	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	39,789	42,191	<i>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.</i>
5. (-) Loan interest/capital repayments	0	0	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	221,555	183,064	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	236,824	270,220	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	231,379	284,109	<i>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.</i>
9. Total fixed assets plus long term investments and assets	292,692	292,692	<i>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.</i>
10. Total borrowings	0	0	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	<i>The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.</i>
		✓	<i>N.B. The figures in the accounting statements above do not include any Trust transactions.</i>

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

V. Smith
Date *10/06/21*

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

10/6/21

as recorded in minute reference:

56.6

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

[Signature]

Section 3 – External Auditor’s Report and Certificate 2020/21

In respect of

AMBLE TOWN COUNCIL
ENTER NAME OF AUTHORITY

1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/> .

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2021; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor’s limited assurance opinion 2020/21

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

3 External auditor certificate 2020/21

We certify/do not certify* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2021.

*We do not certify completion because:

External Auditor Name

ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature

SIGNATURE REQUIRED

Date

DD/MM/YY

Explanation of variances – pro forma

Name of smaller authority: **Amble Town Council**
 County area (local councils and **NORTHUMBRIA**)

Insert figures from Section 2 of the AGAR in all Blue highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- New from 2020/21**: variances of £100,000 or more require explanation regardless of the % variation year on year;
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

	2019/20	2020-21	Variance	Variance	Explanation Required?	Automatic responses trigger below based on figures input. DO NOT OVERWRITE THESE BOXES
	£	£	£	%		Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	240,242	236,824				Explanation of % variance from PY opening balance not required - Balance brought forward agrees
2 Precept or Rates and Levies	199,360	211,340	11,980	6.01%	NO	
3 Total Other Receipts	58,566	47,311	-11,255	19.22%	YES	In 20/21 there was a decrease in cemetery income by approx. £7k. In 20/21 Amble Town Council ceased to hold the accounts for the Events Committee resulting in a decrease of £5K.
4 Staff Costs	39,789	42,191	2,402	6.04%	NO	
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO	
6 All Other Payments	221,555	183,064	-38,491	17.37%	YES	2019-20 One off items: Memorial Repairs - £5000, Allotment Maintenance £2000, Recreation equipment £7000, Litter bins £1000, Cemetery Registers £400, - Total £15400. 2020-21 Reduced expenditure re covid: reduced civic engagements £1650, Reduced grants £4200, reduced grave digging £5000, reduced events £12000 - Total £22850. Total year on year reduction £38250.
7 Balances Carried Forward	236,824	270,220			NO	VARIANCE EXPLANATION NOT REQUIRED
8 Total Cash and Short Term Investments	231,379	284,109			NO	VARIANCE EXPLANATION NOT REQUIRED
9 Total Fixed Assets plus Other Long Term Investments and	292,692	292,692	0	0.00%	NO	
10 Total Borrowings	0	0	0	0.00%	NO	

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

Reconciliation between Box 7 and Box 8 in Section 2 - pro forma

(applies to Accounting Statements prepared on an income and expenditure basis only)

Please complete the highlighted boxes.

Name of smaller authority:

AMBLE TOWN COUNCIL

County area (local councils and parish meetings only):

NORTHUMBERLAND

There should only be a difference between Box 7 and Box 8 where the Accounting Statements (Section 2 of the AGAR) have been prepared on an income and expenditure basis and there have been adjustments for debtors/prepayments and creditors/receipts in advance at the year end. Please provide details of the year end adjustments, showing how the net difference between them is equal to the difference between Boxes 7 and 8.

	£	£
Box 7: Balances carried forward		270,219.77
Deduct: Debtors (enter these as negative numbers)		
Burial Fees	(1,068.00)	
VAT	(542.90)	
	(1,610.90)	
Deduct: Payments made in advance (prepayments) (enter these as negative numbers)		
	0.00	
Total deductions		(1,610.90)
Add:		
Creditors (must not include community infrastructure levy (CIL) receipts)		
NCC	15,500.00	
	15,500.00	
Add:		
Receipts in advance (must not include deferred grants/loans received)		
Total additions		15,500.00
Box 8: Total cash and short term investments		284,108.87

Bank reconciliation

This reconciliation should include **all** bank and building society accounts, including short term investment accounts. It **must** agree to Box 8 in the column headed "Year ending 31 March 2021" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are prepared on a receipts and payments basis

Name of smaller authority: **Amble Town Council**

County area (local councils and parish meetings only): **Northumberland**

Financial year ending 31 March 20xx

Prepared by (Name and Role): **Vicki Smith Clerk/ RFO**

Date: **18-May-21**

	£	£
Balance per bank statements as at 31/3/2021		
CCLA	270,000.00	
Barclaycard	-	
Barclays	14,108.87	
	<hr/>	284,108.87
Petty cash float (if applicable)		-
Less: any un-presented cheques as at 31/3/2021 (normally only current account)		
	<hr/>	0.00
Add: any un-banked cash as at 31/3/2021		
	<hr/>	
Net balances as at 31/3/21(Box 8)		<u><u>284,108.87</u></u>

**CONFIRMATION OF THE DATES OF THE PERIOD FOR THE
EXERCISE OF PUBLIC RIGHTS**

Name of smaller authority: AMBLE TOWN COUNCIL

County Area (local councils and parish meetings only): NORTHUMBERLAND

**On behalf of the smaller authority, I confirm that the dates set for the period for the
exercise of public rights are as follows:**

Commencing on MONDAY 14 JUNE 2021

and ending on FRIDAY 23 JULY 2021

(Please enter the dates set by the smaller authority as appropriate which must be 30 working days (i.e. Monday – Friday only, and not Bank Holidays) inclusive and must include the first 10 working days of July 2021 (i.e. Thursday 1 July – Wednesday 14 July).

We have suggested the following dates: Monday 14 June – Friday 23 July 2021. The latest possible dates that comply with the statutory requirements are Thursday 1 July – Wednesday 11 August 2021.)

Signed: V Onita

Role: TOWN CLERK, RESPONSIBLE FINANCIAL
OFFICER

**This form is only for use by smaller authorities subject to a
review:**

Please submit this form to PKF Littlejohn LLP with the AGAR Part 3 and other requested documentation – this form is not for publication on your website.

Contact details

Name of smaller authority: AMBLE TOWN COUNCIL

County Area (local councils and parish meetings only): NORTHUMBERLAND.

Please complete this form and send it back to us with the AGAR or exemption certificate

	Clerk/RFO (Main contact)	Chair
Name	VICKI SMITH	Craig Weir
Address	AMBLE TOWN COUNCIL FOURWAYS 2 6 DILSTON TCE AMBLE NE6 5ODT	Amble Town Council Fourways 2 6 Dilston Terrace Amble NE6 5ODT.
Daytime telephone number	01665714695	01665714695
Mobile telephone number		
Email address	townclerk@amble.gov.uk	craig.weir805@gmail.com

Peter Basnett

PB Audit Services

3 Raby Close

Bedlington

Northumberland

NE22 6NL

pbbasnett@gmail.com

01670 820035/07756645928

Vicki Smith

Town Clerk

Amble Town Council

Fourways 2

6 Dilston terrace,

Amble

NE65 0DT

24 May 2021

Dear Vicki,

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 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.

The audit was guided by the latest Town Council's Risk Assessment and Management report.

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

Queries arising from the interim audit have been answered to my full satisfaction and where considered necessary adjustments have been made. The only query following the year-end audit relates to the adjustment to the assets register total in respect of the COVID furniture.

I am satisfied that the robust systems of financial and administrative management continue to operate effectively and efficiently and provide a sound audit trail.

I certify that I have completed the audit of the summary accounts and associated accounting notes of the Amble 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 Amble Town Council for the financial year ended 31 March 2021.

There are no matters arising from the audit to draw to the attention of the members of the Town Council.

I have completed the Internal Audit section of the Annual Governance and Accountability return for the 2020/2021 financial year.

Please find enclosed my invoice for the work carried out.

My thanks to you, and your staff, once again for your courtesy, unfailing good humour and patience in answering my many questions.

As notified this is my last audit and you will need to appoint a replacement for the 2021/2022 financial year.

I am privileged to have been involved with the town council, as its internal auditor, for the best part of the last twenty years and have enjoyed a good working relationship with you and your predecessor clerks and the chairmen and members of the town council.

With all best wishes for your, and the town council's future endeavours.

Sincerely,

A handwritten signature in blue ink that reads "Peter Basnett". The signature is written in a cursive style with a long horizontal stroke at the end.

Internal Auditor

SYSTEM OF INTERNAL CONTROL

I provided an internal audit service for Amble 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.	Yes
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.

Peter Beswick

Internal Auditor

24 May 2021

AMBLE TOWN COUNCIL 2020/2021 AUDIT CHECKLIST

INTERNAL CONTROL	TESTS	YES/NO
Proper bookkeeping	<ul style="list-style-type: none"> • Is the cashbook maintained and up to date? • Is the cashbook arithmetic correct? • Is the cashbook regularly balanced 	Yes Yes Yes
A) Standing Orders and Financial Regulations adopted and applied and B) Payment Controls	<ul style="list-style-type: none"> • Has the Council formally adopted standing orders? • Has the Council formally adopted financial regulations? • Has a Responsible Financial Officer been appointed with specified duties? • Have items or services above a de minimus level been competitively purchased? • Are payments in the cashbook supported by invoiced, authorised and minuted? • Has VAT on payments (including petty cash payments) been identified, recorded and reclaimed? • Is Section 137 expenditure separately recorded and within statutory limits? 	Yes Yes Yes Yes Yes Yes
Risk Management arrangements	<ul style="list-style-type: none"> • Does a scan of the minutes identify any unusual activities? • Do the minutes record the Council carrying out an annual risk assessment? • Is the insurance cover appropriate and adequate? • Are internal financial controls documented and regularly reviewed via Financial Regulations and Standing Orders? 	No Yes Yes Yes
Budgetary Controls	<ul style="list-style-type: none"> • Has the Council prepared an annual budget in support of its precept? • Is actual expenditure against the budget regularly reported to the Council? • Are there any significant unexplained variances from the budget? 	Yes Yes No
Income Controls	<ul style="list-style-type: none"> • Is the income promptly recorded and promptly banked? • Does the precept recorded in the cashbook agree to the County Council's notification? • Are security controls over cash adequate and effective/ 	Yes Yes Yes
Petty cash procedures	Is all petty cash spent recorded and supported by VAT invoice/receipts? Is petty cash expenditure reported to each Council meeting?	Yes

Payroll controls	<ul style="list-style-type: none"> • Do salaries paid agree with those approved by the Council? • Are other payments made reasonable and approved by the Council? • Has PAYE/NIC been properly operated by the Council as an employer? 	<p>Yes</p> <p>Yes</p> <p>Yes</p>
Assets Controls	<ul style="list-style-type: none"> • Does the Council maintain an asset register of all material assets owned? 	<p>Yes</p>
Bank Reconciliation	<ul style="list-style-type: none"> • Is there a bank reconciliation for each account? • Are bank reconciliations carried out regularly on receipt of statements? • Are there any unexplained balancing entries in any reconciliation? 	<p>Yes</p> <p>Yes</p> <p>No</p>
Year—end procedures	<ul style="list-style-type: none"> • Are year-end accounts prepared on the correct accounting basis? [receipts & payments/ income & expenditure]? • Do accounts agree with the cashbook? • Is there an audit trail underlying financial records to the accounts? • Where appropriate, have debtors and creditors been properly recorded? 	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>

Peter Besant

Internal Auditor

24 May 2021