

Report to Mildenhall High Town Council

End of Year Internal Audit Report 2020/21

1. Introduction and Overall Summary.

1.1 The Internal Audit for the year 2020/21 was undertaken during a period of time when many restrictions were still in place following the Covid-19 pandemic; there were continuing restrictions on people meeting and working away from home and social distancing was still in place.

1.2 Accordingly, the essential information required for the completion of the Internal Audit was e-mailed to the Internal Auditor by Mr Mark Knight, the Town Manager/Responsible Financial Officer (RFO) and Mrs Christina Emmerson, the Senior Administrator. All relevant published data held on the Council's website was accessed by the Internal Auditor. Any areas that could not be covered as a result of the remote-working arrangements in place have been recorded in this report in order that they can be addressed at a later date, either at a future scheduled Internal Audit or when circumstances permit.

1.3 The End-of-Year Internal Audit work was carried out on the adequacy of systems of internal control in accordance with the agreed Audit Plan and focussed upon the internal controls operating during the period January 2021 to March 2021 and included the examination of the End of Year Accounts for 2020/21. The Interim Internal Audit Report completed during the year 2020/21 (dated 3 February 2021) supports and informs this End-of-Year Review. The overall Audit Findings can be summarised as follows:

- a) During the 2020/21 year the Council maintained effective governance arrangements including a robust framework of financial administration and internal control.
- b) Effective and efficient financial administration is in place and a wide range of formal policies, procedures and protocols have been adopted. The Council demonstrates good practice by having in place an overarching Strategic Plan which is supported by shorter term Action Plans with measurable objectives.
- c) By examination of the 2020/21 accounts and supporting documentation it was confirmed that the Town Manager, in the role of the Council's Responsible Financial Officer, satisfactorily undertook the administration of the Council's financial affairs and produced satisfactory financial management information to enable the Council to make well-informed decisions.

d) The Accounts for the 2020/21 year confirm the following:

Total Income for the year: £328,739.55
Total Expenditure for the year: £332,478.43
Total Reserves at the year-end: £907,870.75

e) The Annual Governance and Accountability Return (AGAR) to the External Auditors, PKF Littlejohn LLP, was examined and the figures listed below were agreed with the Town Manager/RFO for inclusion in Section 2 – The Statement of Accounts 2020/21:

<i>Balances at beginning of year (1 April 2020):</i>	<i>Box 1: £911,610</i>
<i>Annual Precept 2020/21:</i>	<i>Box 2: £242,623</i>
<i>Total Other Receipts:</i>	<i>Box 3: £86,117</i>
<i>Staff Costs:</i>	<i>Box 4: £183,291</i>
<i>Loan interest/capital repayments:</i>	<i>Box 5: £0</i>
<i>All Other payments:</i>	<i>Box 6: £149,188</i>
<i>Balances carried forward (31 March 2021):</i>	<i>Box 7: £907,871</i>
<i>Total cash/short-term investments:</i>	<i>Box 8: £911,927</i>
<i>Total fixed assets:</i>	<i>Box 9: £1,699,974</i>
<i>Total borrowings:</i>	<i>Box 10: £0</i>

f) Sections One and Two of the AGAR are to be approved and signed at a forthcoming meeting of the Council. The Internal Auditor has completed the Annual Internal Audit Report 2020/21 within the AGAR.

g) This Internal Audit Report has been reviewed and agreed with the Town Manager/RFO and all significant matters arising from the Internal Audit work have been discussed with him. No formal recommendations are being put forward in this Report.

Details of this End-of-Year Internal Audit review are recorded below.

2. Governance, Standing Orders, Financial Regulations and other Regulatory matters (examination of Standing Orders, Financial Regulations, Code of Conduct, Formal Policies and Procedures, Tenders where relevant. Acting within the legal framework, including Data Protection legislation).

2.1 The Council's **overall Governance arrangements**, including Standing Orders, Financial Regulations and other Regulatory matters, were examined in detail during the Interim Internal Audit Review in January 2021 and were found to be of a high standard. During the period January 2021 to March 2021 the Town Manager/RFO continued to undertake responsibilities given to him under an Emergency Scheme of Delegation during the Covid-19 pandemic.

2.2 The Interim Report also confirmed that the Council maintains a 3-Year Strategic Plan, an overarching document which informs and directs the Action Plans which operate under the high-level document and are reviewed at meetings of the Council. The General Power of Competence was being correctly applied. Standing Orders and Financial Regulations are in place.

2.3 The Council demonstrates good governance practice through the adoption and regular review of a wide range of **Policies, Procedures and Protocols**. The Town Manager/RFO maintains a schedule for the review of existing policies and puts forward recommendations for any new policies that may be required. Under this Policy review process, the Council reviewed and approved the following during 2020/21:

Complaints Policy, Safeguarding Policy and the Lone Working Policy (25 June 2020); Accessibility Policy and the Full Council Functions Policy (24 September 2020); the Environment Statement and Policy and Biodiversity Policy (28 January 2021); the Media Relations Policy (25 February 2021); Earmarked Reserves Policy and Investment Strategy Policy (25 March 2021).

2.4 The Council is **Registered with the Information Commissioner's Office (ICO)** as a Fee Payer/Data Controller for the provision of council services under current Data Protection legislation (Registration Z9240936 refers, expiring 1 December 2021). Documentation has been adopted by the Council to assist compliance with the General Data Protection Regulations (GDPR). The Establishment and Policy Committee received an up-date on GDPR compliance at its meeting on 3 September 2020 (and noted by Full Council on 24 September 2020).

2.5 The **Minutes** of the Council and its Committees are well presented and provide clear evidence of the decisions taken by the Council and its Committees in the year.

3. Accounting Procedures and Proper Book-keeping (*examination of entries in the Cashbook, regular reconciliations, supporting vouchers, invoices and receipts and VAT accounting*).

3.1 The **Edge Accounting System** continues to satisfactorily maintain the Council's Income and Expenditure accounting system. The accounting information is well referenced and overall provides a good audit trail to the supporting documentation. The data recorded provides good evidence in support of the income and expenditure in the year and has acted as the basis for the completion of the End-of-Year Accounts and the 2020/21 Annual Governance and Accountability Return (AGAR).

3.2 Comprehensive financial reports are being produced from the Edge system, both for internal use by staff and for formal presentation to Councillors. The adequacy of the financial data presented to Council was test checked during the Interim Internal Audit Report in January 2021 and the position was found to be satisfactory.

3.3 The Interim Internal Audit focused upon the Edge accounting system data as at 31 December 2020. This End-of-Year Internal Audit necessarily focussed upon the

Income and Expenditure Account, Balance Sheet and Reconciled Bank Statements as at 31 March 2021 in order that correct and complete information and data was available to complete the 2020/21 AGAR.

3.4 The Town Manager/RFO and the Senior Administrator are the designated 'system administrators' to the Edge system with unrestricted access to all functions and are able to access and operate the core elements of the system, make necessary up-dates and generate reports. The Administration Assistant has partial access to the Edge system.

3.5 The Senior Administrator received the support and the assistance of the Edge Support Team to close the 2020/21 Accounts and achieve a correctly balanced Bank Reconciliation as at 31 March 2021. The previous Internal Audit Report had recommended that all staff who are responsible for undertaking essential tasks within the Edge Accounting System should be provided with appropriate formal training in the operation of the System in order to ensure that there is adequate knowledge and expertise in all aspects of the accounting system being used by the Council. The Town Manager/RFO confirmed that the staff training options are currently being examined.

3.6 VAT payments are tracked and identified within the Edge accounting system and can be used effectively for reclaims to HMRC. The Town Manager/RFO confirmed that Quarterly re-claims for VAT paid are submitted to HMRC. The VAT re-claim for the period 1 January 2021 to 31 March 2021 was being prepared at the time of the audit.

3.7 The Cashbook Payments List and the Receipts List are well referenced and overall provide an adequate audit trail to the Bank Statements and the accounting information provided by the Town Manager/RFO to the Council.

3.8 In view of the Internal Audit being conducted remotely/electronically, the supporting vouchers, invoices and receipts were not examined and a sample of the 2020/21 transactions can be undertaken at the next internal audit undertaken at the Council's offices.

4. Bank Reconciliation (*Regularly completed and cash books reconcile with bank statements*).

4.1 Bank Reconciliations are carried out for each account on a monthly basis. The Edge accounting system generates the accounting information to reconcile with bank statements.

4.2 The Council has a standing agenda item to receive and note Bank Reconciliations each month. Due to the timing of the meetings the reconciliation may necessarily be some weeks behind the date of the meeting.

4.3 At its meeting on 25 June 2020 the Council agreed that some old bank accounts which have gone unused for some years and had a nil balance will be closed down and deleted from the chart of accounts.

4.4 The Council's End-of-Year Accounts have been reconciled to the Council's Bank Statements. For ease of reference, the Council's **Bank Reconciliation as at 31 March 2021 and entries in Box 7 and Box 8 of the AGAR can be displayed as follows:**

	£
<i>Account Balance at 1 April 2020 (b/f): Box 1 2020/21 AGAR</i>	911,609.63
<i>Add Income in the year 2020/21:</i>	328,739.55
<i>Deduct Expenditure in the year 2020/21:</i>	332,478.43

<i>Account Balance at 31 March 2021 (c/f): Box 7 2020/21 AGAR</i>	907,870.75

<i>Represented By:</i>	
<i>Lloyds Treasurer's A/C (Salaries & Wages)</i>	2,180.16
<i>Lloyds Business Instant Access</i>	432,572.07
<i>Lloyds Current Account</i>	43,314.41
<i>95 Day Notice Investment</i>	251,586.95
<i>32 Day Notice Investment</i>	182,073.84
<i>Petty Cash A/C</i>	200.00

<i>Bank Balance at 31 March 2021: Box 8 2020/21 AGAR</i>	911,927.43

Reconciliation between Box 7 and Box 8:

	£	£
<i>Box 7:</i>		907,870.75
<i>Less: VAT Recoverable:</i>	214.29	
<i>Debtors:</i>	2,379.03	
<i>Payments in Advance:</i>	<u>2,643.13</u>	
		5,236.45
<i>Add: Creditors:</i>		9,293.13

<i>Box 8:</i>		911,927.43

5. Year End procedures (Regarding accounting procedures used and can be followed through from working papers to final documents. Verifying sample payments and income. Checking creditors and debtors where appropriate).

5.1 End-of-Year accounts are prepared on an Income and Expenditure basis and were in good order. Sample audit trails were undertaken and were found to be in order.

5.2 The Income and Expenditure Account and Balance Sheet were examined in detail and queries arising from the review were resolved with the Town Manager/RFO and Senior Administrator.

5.3 A **Statement of Variances** (explaining significant differences in receipts and payments between the years 2019/20 and 2020/21) was being prepared by the Senior Administrator at the time of the Internal Audit. The Statement has to be submitted to the External Auditors and published on the Council's website.

5.4 The **Outstanding Debtors List** (totalling £2,379.03) and the **Outstanding Creditors List** (totalling £9,293.13) as at 31 March 2021 were examined and confirmed as correctly recorded in the Balance Sheet. The amount of £214.29 VAT due to the Council as at 31 March 2021 was found to be correctly recorded in the Balance Sheet. The Advance Payments List as at 31 March 2021 was also examined and the Senior Administrator advised that the amount of £2,643.13 primarily related to a spread prepayment relating to WPS Insurance.

6. Budgetary controls (Verification of the budgetary process with reference to Council Minutes and supporting documents).

Precept 2020/21: £242,623

Precept 2021/22: £231,250

6.1 The Draft **Budget for 2020/21** was considered by the Council at its meeting on 28 November 2019 and formal approval given to the Final Budget and Precept of £242,623 at the meeting on 12 December 2019. The precept decision and amount has been clearly Minuted (Minute 166 refers). The Budget was well prepared with detailed estimates of income and expenditure and balances to ensure Councillors had sufficient information to make informed decisions.

6.2 The estimates for the year 2020/21 were used effectively for financial control and budgetary control purposes. The Council receives Quarterly Budget Monitoring Reports detailing all receipts and payments compared to budgets. The Budget Reports were examined by the Internal Auditor and were found to be comprehensive, well-constructed and informative.

6.3 The **Draft Budget for 2021/22** was considered by the Council on 26 November 2020 and again on 10 December 2020, with the Final Budget and Precept for the year 2021/22 to be set following West Suffolk Council making available the tax base for the year. The tax base was released on 16 December 2020, and a Precept Request of £231,250 put forward to achieve a 0% increase to the taxpayer in 2021/22. The Town Manager/RFO reported to the Council on 28 January 2021 that this would lead to a shortfall of £40,775, which would be met from a £23,840 underspend from the 2019/20 year, any underspends in 2020/21 or contingency reserves. The Council noted that a Local Council Tax Support Grant of £5,404, payable in April 2021, would be received from West Suffolk Council, reflecting the council tax relief caseload within the area of the Town Council.

6.4 The Town Manager/RFO ensures that the Council is aware of its responsibilities and commitments and the need for forward planning and adequate reserves. The Town Manager/RFO undertook an investment review aimed to rationalise unallocated monies and invest them in a limited access account to gain interest. The **Investment Strategy** document was considered and ratified at the Full Council meeting on 25 June 2020.

6.5 A **Financial Reserves Management Policy** is in place, having been considered and adopted by the Council on 25 June 2020. As the level of General Reserves is a matter of judgement, the Policy does not prescribe a blanket level other than maintaining a balance no less than £80,000.00 or monies considered to be adequate for 9 months running costs of the Council. A copy of the Policy has been published on the Council's website. The Policy is programmed for review no later than March 2022.

6.6 The level of Overall Reserves as at 31 March 2021 amounted to £907,871, of which £685,960 had been recorded as Earmarked Reserves.

6.7 The General Reserves (Overall Reserves less Earmarked Reserves) total £221,911 and consist of the Contingency Running Costs Reserve (£219,933) and a General Fund (£1,978). This is in accordance with the Council's Financial Reserves Management Policy and is in line with the position put forward by the Joint Panel on Accountability and Governance (JPAG) Proper Practices Guide (Item 5.32 refers) that non-earmarked revenue reserves should usually be between three and twelve months of Net Revenue Expenditure (in effect, of the Precept less any loan repayments).

6.8 As at 31 March 2021, the Council's Overall Reserves were sufficient to meet, within reason, any unforeseen items of expense that may occur.

7. Internal Financial Controls, Payments Controls and Audit Procedures (Confirmation that the Council has satisfactory internal financial controls in place for making payments with adequate documentation to support/evidence payments made. Any previous audit recommendations implemented).

7.1 The Town Manager/RFO provides comprehensive financial reports to Council meetings and ensures that Councillors are provided with adequate financial information and advice to enable them to make informed decisions.

7.2 At each meeting the Council receives and authorises a list of payments made since the last meeting and a list of any additional payments due to be made.

7.3 In addition, in order that the Internal Auditor can make the appropriate affirmations in the Annual Internal Audit Report in the AGAR 2020/21, the Town Manager/RFO confirmed that:

- (a) Invoices/vouchers for payment are signed or initialled by the nominated signatories in confirmation of the payment being correctly made. The Town Manager presents a Payments Sheet to the Full Council every month but due to the pandemic the actual signing is completed a few days later, having been authorised at the meeting. The current procedure is due to change from May 2021 when virtual meetings are no longer allowed and all signatures will be obtained at the meeting.
- (b) Cheque Book counterfoils are initialled by the signatories in accordance with the requirements of the Council's Financial Regulations.
- (c) cheque numbers are noted on the paid invoices/vouchers to assist the verification of the payment.

7.4 As electronic payments are being made, the Town Manager/RFO also confirmed to Internal Audit that:

- (a) The Town Manager/RFO and Senior Administrator are the Service Administrators who initiate payments made through electronic means/internet banking, which are then authorised by two Councillors before payment is released.
- (b) The Internet Banking payment confirmation is attached to the appropriate invoice.
- (c) Nominated Councillors have been specifically authorised to approve transactions generated by the Town Manager/RFO and Senior Administrator. The Council has approved four signatories. The approval of signatories is undertaken annually at the Annual Town Council Meeting.
- (d) The procedure for electronic payments is documented in the Council's Financial Regulations.

7.5 In view of the Internal Audit being conducted remotely/electronically, some detailed payment controls (such as verifying that the Internet Banking payment

confirmation is attached to the appropriate invoice) were not examined; verification can be made at the next internal audit undertaken at the Council's offices.

7.6 The Internal Audit report for the previous year (2019/20) was considered and adopted by the Council at its meeting on 30 July 2020.

7.7 The Internal Auditor for the 2020/21 was appointed by the Council at its meeting on 30 July 2020 and was charged to undertake an Interim Internal Audit and an End-of-Year Internal Audit during the 2020/21 year of account. The Interim Internal Audit Report for 2020/21 was considered and approved by the Council at its meeting on 25 February 2021. The Town Manager has confirmed that the three recommendations put forward in the report were accepted by the Council:

R1: In the interests of transparency and for the benefit of the local community, the Council should always ensure that Minutes of Council and Committee meetings are publicly available, and published on the Council's website, as soon as practicably possible after each meeting. (This is being addressed by the Town Manager).

R2: All staff who are responsible for undertaking essential tasks within the Edge Accounting System should be provided with appropriate formal training in the operation of the System in order to ensure that there is adequate knowledge and expertise in all aspects of the accounting system being used by the Council. (This is being addressed by the Town Manager).

R3: To meet good practice and in the interests of transparency the Council should consider including the Lists of Payments and Receipts in the Minutes of the Council (possibly as an appendix) to evidence the Payments reported to and ratified by the Council and the Receipts reported to and noted by the Council. (This is being addressed by the Town Manager).

8. Payroll Controls (PAYE and NIC in place; compliant with HMRC procedures; records relating to contracts of employment).

8.1 PAYE is operated in-house through the IRIS payroll management system in accordance with HMRC regulations. Regular payments have been made to HMRC and detailed pay slips are produced.

8.2 The Interim Internal Audit in January 2021 undertook sample checks on the September 2020 and December 2020 payroll. It was confirmed that the Town Manager/RFO was paid at NJC Local Government Services SCP 32 and the Senior Administrator at SCP 14. The 2020/21 NJC salary award was put in place from the September 2020 salary payment with the correct amount of back pay to 1 April 2020 being applied. Payments to other staff for the months of September 2020 and December 2020 were confirmed, including the amount of back pay to 1 April 2020 which applied following the 2020/21 NJC award.

8.3 This End of Year Internal Audit undertook similar sample checks on the March 2021 payroll and found all to be in order.

8.4 With regard to the legislation relating to workplace pensions, the Pensions Regulator confirmed on 27 September 2019 that the Council had completed a re-declaration of compliance under the Pensions Act 2008. (The re-declaration of compliance confirms to the Pensions Regulator that the Council complies with its duties as an employer and has to be completed every three years).

9. Petty Cash and use of Payment Cards/Credit Cards (*Associated books and formally agreed systems in place*).

9.1 The Internal Auditor is charged to examine the Petty Cash accounting controls as part of the Annual Governance and Accountability Return (AGAR) certification work.

9.2 A Petty Cash float of £200 is maintained and is recorded in the overall 'Cash in Hand and at Bank' in the Bank Reconciliation as at 31 March 2021. The Senior Administrator confirmed to the Internal Auditor that only small amounts of Petty Cash were used in the year of account due to the pandemic, receipts/vouchers were held for each item of expenditure and expenditure is reported to the Council alongside all other payments. The Senior Administrator confirmed that the Petty Cash is being held securely. As the Internal Audit was having to be undertaken remotely the individual Petty Cash transactions were not examined.

9.3 The Town Manager/RFO confirmed that the Council holds a Payments Card and that it is used solely by himself in accordance with Financial Regulations item 6.18. Expenditure is reported to the Council alongside all other payments. There is a limit of £500 which the Town Manager/RFO can spend without prior authorisation in case of an emergency or if an urgent situation needs to be addressed.

10. Income Controls (*regarding sums received from Precept, Grants, Loans and other income including credit control mechanisms*).

10.1 The Interim Internal Audit in January 2021 examined in detail the **Fees and Charges for the year 2020/21** and confirmed that Allotment Rents, Cemetery Fees, room hire charge for the Jubilee Centre and hire fees for the Jubilee Field were agreed by the Amenities and Operations Committee at its meeting on 4 November 2019 under its Pricing Review for all Council facilities.

10.2 The Town Manager/RFO presents reports to the Council on income received. The Council noted on 29 October 2020 that the loss of income during the Covid-19 pandemic would be absorbed by underspends in other areas of the budget and from contingency reserves.

10.3 The Council receives income from **Allotments** from two sites, 32 plots at Riverside and 19 at Lark Road. At its meeting on 4 November 2019 the Amenities and Operations Committee considered and agreed increases for allotments at both sites to apply from April 2020. A manual Allotments Register is maintained for the control and administration of the allotments plots with details of financial transactions

being transferred onto the Edge Accounting System from which a Transaction List is produced. The Transaction List for Allotments Income is detailed and well referenced to support the income recorded in the year. A total of £2,194.14 is recorded for Allotment Income in the 2020/21 year (an increase from the £1,954.17 recorded as Allotment Income in the 2019/20 year).

10.4 The **Register of Burials and Interments** is maintained manually and from which information is transferred onto the Edge Accounting System. Burial Fees were reviewed by the Amenities and Operations Committee on 4 November 2019. The Committee agreed a 3% increase on all cemetery fees, with a full review to take place once the extension project had been completed. The total amount of Cemetery Income recorded in 2020/21 amounted to £12,297.00 (£6,072.00 in the 2019/20 year).

10.5 The Transaction List for Burials is maintained in the Edge Accounting System and provides detailed information regarding each transaction, including date of invoice, date the income was received, the receipt reference and includes fees received for interments, exclusive rights and memorials.

10.6 The Council also operates a **Lettings Service** to a wide range of local organisations, groups and individuals. A Transaction List for Lettings Income for the Jubilee Centre and the Jubilee Field is maintained and includes information regarding the transaction, date of invoice, date the income was received, the VAT element charged and the receipt reference. Income was, of course, impacted significantly by the pandemic. During the 2020/21 year the Jubilee Centre Income is recorded as £44,589 (£62,070 in 2019/20), Jubilee Fields £1,690 (£4,293 in 2019/20) and Pavilion Income £13,449 (£15,999 in 2019/20).

10.7 At its meeting on 24 September 2020 the Council agreed that all fees for services for the 2021/22 year would be frozen other than those relating to fair hirers (increased to £250 per visit) and Lark Road Allotments (half-plots to be reduced to £20).

10.8 The Council continues to demonstrate good financial practice by periodically reviewing the sums owed to the Council. The Town Manager/RFO presents the Council with Lists of Current Debtors, which are formally noted by the Council.

11. Internal Control and the Management of Risk (*Review by Council of the effectiveness of internal controls, including risk assessment, and Minuted accordingly*).

11.1 At its meeting on 25 June 2020 the Council considered and agreed to adopt the **Risk Management Policy** following the recommendation from the Establishment and Policy Committee.

11.2 At the meeting held on 30 July 2020 the Council considered and adopted the **Financial Risk Assessments and Statement of Internal Controls** without amendment. The documentation is comprehensive and identifies the financial risks

faced by the Council and the action in place to mitigate those risks. The Council considered and adopted the amended Financial Risk Assessments and Statement of Internal Controls at its meeting on 25 March 2021.

11.3 The Council accordingly fully complied with Regulation 4 of the Accounts and Audit Regulations 2015 which requires a review by the Full Council at least once a year of the effectiveness of the Council's system of internal control, including the arrangements for the management of risk, with the review suitably Minuted.

11.4 The Council uses the LCRS Risk Management Software system as a risk management tool. The Town Manager/RFO presents the **LCRS Action Plan/Risk Assessment Report** to Full Council on a quarterly basis to ensure Councillors are fully apprised of all the risks for which they are responsible.

11.5 As part of its Risk Management responsibilities, the Establishment and Policy Committee considered, and agreed to recommend adoption to Full Council, a Health and Safety Policy. It was noted that the document may require continuing updates as further advice is received from the Health and Safety contractor as work progresses.

11.6 An important area of risk management within local councils concerns the adequate **maintenance of play equipment**. The Amenities and Operations Committee is responsible for over-seeing the maintenance and management of the play area and receives reports on Playground Inspection Reports. Free monthly inspections were carried out by West Suffolk Council in 2020/21. The Town Manager/RFO reported to the Committee on 15 February 2021 that the free inspections are due to continue until March 2022, after which they would become a paid service.

11.7 Insurance was in place for the year of account, the Council having renewed the cover with WPS under a 3-year long-term agreement. The Interim Internal Audit dated 3 February 2021 reported that the cover for Employer's Liability stood at £10m, Public Liability at £15m. and the Employee/Councillor Dishonesty (Fidelity Guarantee) cover at £1.5m (and meets the current recommended guidelines, which provide that the Fidelity Guarantee cover should be at least the sum of the year-end balances plus 50% of the precept/grants received).

12. Assets Controls (*Inspection of asset register and checks on existence of assets; recording of fixed asset valuations; cross checking on insurance cover*).

12.1 A comprehensive review of the Asset Register was undertaken by the Town Manager/RFO and the Senior Administrator during 2019/20 to secure a step-change improvement in the recording of the assets and their valuation. A revised, up-dated Asset Register was received by the Council at its meeting on 25 June 2020. The Register records a description of each asset owned by the Council, its location, purchase value (where known) and insurance value.

12.2 The Register was reviewed by the Council at its meeting on 25 February 2021 and amendments agreed.

12.3 The Register as at 31 March 2021 displays a value of £1,699,974 that has been placed in Box 9 of the 2020/21 AGAR. The value is an increase of £536,674 from the value reported in the 2019/20 AGAR. The Town Manager/RFO had advised the Internal Auditor that the increase largely relates to 502 Street Lights that had not previously been included in the Register. The Town Manager/RFO will be providing details of the variance between the two years in the Analysis of Variances document (which compares values as at 31 March 2021 with those at 31 March 2020) to be submitted to the External Auditors and to be published on the Council's website. In this respect, it is important that the values in both years are recorded on a consistent basis, year-on-year, in accordance with current requirements.

12.4 An Asset Management Action Plan was considered and adopted by the Council at its meeting on 24 September 2020. In addition, the Town Manager/RFO reported to the Establishment and Policy Committee on 12 November 2020 that the Building Management Scheme is being used with full functionality and that three members of staff were now fully trained on the system.

13. Sole Trustee (To confirm that the Town Council has met its responsibilities as a trustee).

13.1 The Town Manager confirmed to the Internal Auditor that the Council has **Sole Trustee responsibilities for the area of land called the Recreation Way Play Area** and discharges these responsibilities as part of normal council duties. The Town Manager/RFO has confirmed that the Council takes full responsibility for the play area and any issues arising are reported to the Amenities and Operations Committee or Full Council.

13.2 The Town Manager explained to the Internal Auditor that the details currently held by the Charity Commission may be misleading. The Commission's website refers to the 'Mildenhall Recreation Ground' as an area of land registered in March 1965 as a Public Playing Field for the benefit of the parish of Mildenhall and its immediate vicinity for the provision of play equipment and maintenance of playground for children (Registration 304920). The Charity Commission records the Annual Update for the year ending 31 March 2020 as being received on 8 December 2020, within the required time. The 'Mildenhall Recreation Ground' referred to by the Commission must not be confused with the Jubilee Field, which is under the ownership of the Council and for which Sole Trustee status does not apply.

14. External Audit (Recommendations put forward/comments made following the annual review).

14.1 The **Certificate and Report from the External Auditors** PKF Littlejohn LLP for the previous year (2019/20) was dated 17 November 2020. The Auditors reported that the Council had failed to reflect in its assertions in the 2019/20 AGAR that it had

not made proper provision during the year 2019/20 for the exercise of public rights and had not taken appropriate action on all matters raised in reports from internal and external audit.

14.2 The Report and Certificate were reported to the Council at its meeting on 10 December 2020. The External Audit Certificate (Part 3 of the Annual Governance and Accountability Return) has been published on the Council's website.

15. Publication Requirements.

15.1 Under the Accounts and Audit Regulations 2015 authorities must publish each year the following information on a publicly accessible website (the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 extended the statutory deadlines for the publication of the 2019/20 documents):

Notice of the period for the Exercise of Public Rights
AGAR - Sections 1 and 2.

15.2 The period of 3 August 2020 to 14 September 2020 for the Exercise of Public Rights was confirmed by the Council at its meeting on 30 July 2020.

15.3 Following the completion of the External Audit:

Notice of Conclusion of Audit

AGAR - Section 3

AGAR - Sections 1 and 2 (including any amendments as a result of the Limited Assurance Review).

15.4 The Internal Auditor was able to confirm that the documents relating to the year 2019/20 were readily accessible on the Council's website: <https://www.mildenhall-tc.gov.uk/>

16. Additional Comments.

16.1 I would like to record my appreciation to the Town Manager/RFO and the Senior Administrator for their assistance during the course of the audit work.



Trevor Brown, CPFA

Internal Auditor

14 May 2021