

Report to Mildenhall High Town Council

Interim Internal Audit as at December 2021

1. Introduction and Overall Summary.

1.1 The Internal Audit reviews programmed for the year 2021/22 provide for an Interim (Half-year) Internal Audit during the year which will lead into and support the End-of-Year Audit which will take place in April/May 2022 following the completion of the 2021/22 Accounts. In this way the Town Council is supported throughout 2021/22 in terms of receiving assurance upon the adequacy and efficiency of key systems in place. This audit report relates to the Interim Audit undertaken in December 2021.

1.2 It was agreed with Mr Mark Knight, the Town Manager/Responsible Financial Officer (RFO) and Mrs Christina Emmerson, the Senior Administrator, that it was appropriate for the audit to be conducted remotely/electronically. Accordingly, the documents and information required for the completion of the audit were provided electronically to the Internal Auditor. In addition, 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 the report in order that they can be addressed during the End-of-Year Internal Audit in April/May 2022.

1.3 An Audit Plan for this Interim Review was agreed with the Town Manager. The Internal Audit work examined the Council's operations during the first 7 months of the 2020/21 year and confirmed the following:

(a) The Council's internal control framework is being maintained satisfactorily with effective internal financial controls in operation.

(b) The Council demonstrates good practice by having in place an overarching Strategic Plan under which Action Plans, with measurable objectives, are maintained and reviewed.

(c) The Council and its Staff continue to work energetically to ensure that effective and efficient financial administration is in place and a wide range of formal policies, procedures and protocols are maintained. The Town Manager, in the role as the Council's RFO, 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) A step change improvement has been secured in the delivery of the Council's core messages and the advancing of community engagement since the Projects Officer was appointed in September 2021.

(e) Councillors and Officers continue to display commitment in supporting the community in the recovery from the Covid-19 pandemic and in their support to the local community. The Loyal Free Scheme is targeted at supporting and promoting local business; the Town Manager/RFO successfully secured a grant of £55,200 for purposes of Covid-19 recovery projects (to be spent by 31 March 2022) and the Council has reduced hire charges for Council facilities.

1.4 In accordance with the Audit Plan the Internal Audit work was carried out on the adequacy of systems of internal controls operating during the period April 2021 to October 2021. Details of the findings of this Interim Internal Audit and comments relating to the findings are recorded below. No formal recommendations are being put forward at this Interim Internal Audit Stage.

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 As part of the **Council's overall governance arrangements**, at its Annual Meeting on 27 May 2021 the Council elected the Mayor and Deputy Mayor and agreed membership of the Amenities and Operations Committee, Planning Committee, Establishment and Policy Committee, Personnel Committee and Communication and Events Committee, including the appointment of Chair and Vice-Chair for each. Similarly, the Council's Working Groups and Panels were agreed and membership confirmed. Cheque signatories for the 2021/22 year were also appointed.

2.2 The Terms of Reference for the Planning Committee and the Establishment and Policy Committee and the Full Council Functions were adopted by the Council at its meeting on 24 June 2021. The Terms of Reference for the Communications and Events Committee were adopted by the Council on 29 July 2021.

2.3 Councillors and Officers demonstrated commitment in supporting and engaging with the community during the Covid-19 pandemic, The Council has a Community Engagement Policy in place and was successful in obtaining a 'Welcome Back' grant of £55,200 from Central Government for purposes of Covid-19 recovery projects in the Town Council's area.

2.4 The Council has a **Responsible Financial Officer (RFO)** in place, Mr Mark Knight having been formally appointed as Town Manager/RFO at the Council's meeting on 27 June 2019.

2.5 As part of its overall governance responsibilities, a Scheme of Delegation to the Town Manager/RFO was agreed by the Council at its meeting on 24 September 2020. The Scheme of Delegation was reviewed and adopted by the Council at its meeting on 24 June 2021.

2.6 The Council places emphasis upon community engagement and promoting its core messages effectively and these issues have been enhanced following the appointment of the Projects Officer in September 2021. At its meeting on 30 September 2021 the Council noted the progress that had been achieved since the appointment.

2.7 The Council continues to correctly apply the **General Power of Competence** (GPoC). This was first adopted by the Council at its meeting on 25 July 2019, when the Council declared that it was eligible to use GPoC, having two-thirds elected Councillors and a suitably qualified Clerk. The GPoC was re-adopted by the Council on 27 May 2021 (Eligibility remains in place until the first annual meeting of the Council after the Ordinary Election even if the condition of the eligibility criteria has changed).

2.8 To secure an efficient development pathway, the Council had adopted and maintains a **3-Year Strategic Plan** (with an intended lifespan to 2023) which acts as an overarching document which informs the direction of an Action Plan, which sits beneath this high-level document. The **Action Plan** (also covering the years 2019 to 2023) is aimed to be a fluid, dynamic document, subject to regular review in order to facilitate the meeting of the agreed overall strategic objectives. Both the Strategic Plan and the Action Plan are formally and routinely considered at meetings of the Council in order that any alterations or updates can be made. The Council receives and reviews an '**Action Sheet**' which itemises the actions undertaken during the previous period and the actions due to be performed in the forthcoming period. This enables the Council to oversee key areas of work and performance and provides the opportunity for Councillors to monitor progress.

2.9 **Standing Orders** are in place. The Council adopted updated/amended the Standing Orders at its meeting on 29 April 2021, following a recommendation by the Establishment and Policy Committee, with a programmed review date of May 2022. A copy of the Standing Orders has been published on the Council's website.

2.10 **Financial Regulations** are in place. At its meeting on 27 May 2021 the Council considered and adopted unchanged Financial Regulations, with a programmed review date of May 2022. A copy of the Financial Regulations has been published on the Council's website.

2.11 **The National Association of Local Councils has revised its Model Financial Regulations (footnotes at item 11) to reflect the changes in the thresholds for public service/supply and public works contracts. The amendment to this item in the Council's Financial Regulations should be included at the Council's next review of Financial Regulations.**

2.12 The **Council's Minutes** are well presented and provide clear evidence of the decisions taken by the Council in the year.

2.13 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

2022). Documentation has been adopted by the Council to assist compliance with the General Data Protection Regulations (GDPR) including a Retention of Documents Policy accepted by the Council on 25 June 2020. 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).

2.14 **A General Privacy Policy/Notice** is in place and published on the website. A Publication Scheme document has also been published on the Council's website; the document displays the cost of the items available under the Scheme and confirms that the Scheme was approved by the Council at its meeting on 30 July 2020.

2.15 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 Complaints and Compliments Policy, Safeguarding Policy and Lone Working Policy at its meeting on 27 May 2021. A copy of each document has been placed on the Council's website.

2.16 The Staff Handbook, constructed by the Town Manager/RFO for the purpose of collating and simplifying the range of staffing policies, procedures and protocols in place, was also reviewed and re-adopted by the Council on 27 May 2021.

2.17 Following recommendations from the Establishment and Policy Committee, the Council adopted the Health and Safety Policy and the Mobile Phone use Policy on 30 September 2021 and the Kingsway Closed Cemetery Maintenance Strategy and the Management of Memorials Policy on 28 October 2021.

2.18 The Council also demonstrates good practice by periodically re-adopting the **Code of Conduct for Councillors**. The Code details the requirements and responsibilities placed upon each individual Councillor and was reviewed and re-adopted by the Council at its meeting on 27 May 2021. A copy of the Code has been published on the Council's website.

2.19 In meeting the Council's responsibility of obtaining good value from contractors, the Establishment and Policy Committee decided at its meeting on 16 September 2021 that the Council should not move to a preferred contractor status for all Council needs but the Town Manager/RFO should maintain a list of up to 5 contractors for all purposes identified and for equal chance for work to be given to them.

2.20 The Committee also proposed that the spending limit of the Town Manager/RFO should be raised from £500 to £1,000 before consulting with Full Council for approval. The Committee's recommendation was ratified by Full Council on 30 September 2021.

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** satisfactorily maintains 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 will act as the basis for the completion of the End-of-Year Accounts and the 2021/22 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 by reference to the Agenda for the meeting on 29 July 2021, which included an Income and Expenditure Report, a Quarterly Budget Monitoring Report to 30 June 2021 and a Bank Reconciliation.

3.3 The Internal Audit also focused upon the Edge accounting system data as at 31 October 2021. The Senior Administrator supplied the Internal Auditor with an Income and Expenditure Account and Reconciled Bank Statements as at 31 October 2021. The Senior Administrator has successfully reconciled the Edge Accounts to the Bank Statements of the individual bank accounts as at 31 October 2021. In addition, the Edge Support Team provided an Income and Expenditure Account Analysis as at 31 October 2021 for the Internal Auditor's examination.

3.4 A minor correction is required to be made to the Accounts. The Precept amount of £231,250 was received from West Suffolk Council on 29 April 2021 together with a Local Council Tax Support Grant of £5,404, reflecting the council tax relief caseload within the area of the Town Council. Both amounts have been recorded under the heading of 'Precept'. The Grant should be recorded separately from the Precept amount as the two elements require to be separately recorded in the End-of-Year AGAR (Annual Return) 2021/22.

3.5 At the 2021/22 year-end, the Edge Accounts documentation will be supported by a Balance Sheet as at 31 March 2022 to enable the Internal Auditor to confirm that complete and accurate data is being applied to the AGAR 2021/22.

3.6 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 updates and generate reports. The Administration Assistant has partial access to the Edge system.

3.7 The Council demonstrates good practice by maintaining a Business Continuity Plan which includes reference to the re-establishment of internal financial procedures and the action to be taken in the event of the loss of IT systems, including contact with support contractors to secure a prompt operation of systems.

3.8 VAT payments are tracked and identified within the Edge accounting system and can be used effectively for reclaims to HMRC. The Council is Registered for VAT purposes. Re-claims for VAT paid are being promptly submitted to HMRC and reimbursement has been received, as follows:

a) The 2020/21 Quarter 4 re-claim for the £214.29 net VAT paid from 1 January 2021 to 31 March 2021 was received at bank on 10 May 2021.

b) The 2021/22 Quarter 1 re-claim for the £4,876.65 net VAT paid from 1 April 2021 to 30 June 2021 is recorded as received at bank on 19 July 2021.

c) The 2021/22 Quarter 2 re-claim for the £3,275.92 net VAT paid from 1 July 2021 to 30 September 2021 is recorded as received at bank on 14 October 2021.

3.9 The accounting system was tested by examination of the Cashbook Payments List and the Receipts List for October 2021. The Lists were well referenced and overall provide an adequate audit trail to the Bank Statements. The accounting information provided good evidence in support of the receipts and payments. In view of the Internal Audit being conducted remotely/electronically, the supporting vouchers, invoices and receipts were not examined and a sample of the 2021/22 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 As stated at item 3.3 above, the Senior Administrator has reconciled each individual bank account to the accounting information entered into the Edge system for the 2021/22 year to the 31 October 2021, as follows:

<i>Lloyds Treasurer's A/C (Salaries & Wages)</i>	£ 2,076.15
<i>Lloyds Business Instant Access</i>	413,296.68
<i>Lloyds Current Account</i>	20,348.50
<i>95 Day Notice Investment</i>	300,288.11
<i>32 Day Notice Investment</i>	300,276.80
<i>Petty Cash A/C</i>	200.00
<i>Cash/Bank Balance at 31 October 2021:</i>	----- 1,036,486.24 -----

4.3 The Council has a standing agenda item to receive and note Bank Reconciliations each month. A copy of the Bank Reconciliation for each of the Council's bank accounts and petty cash account is published on the Council's website to provide for transparency in the Council's financial affairs.

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

5.1 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 Local Council Tax Support Grant of £5,404 was received from West Suffolk Council in April 2021.

5.2 The Budget for 2021/22 was well prepared with detailed estimates of income and expenditure and balances to ensure Councillors have sufficient information to make informed decisions.

5.3 The estimates for the year 2021/22 are being used effectively for financial control and budgetary control purposes. The Council receives a Quarterly Report detailing all receipts and payments and spending compared to budgets. The First Quarter (1 April 2021 to 30 June 2021) performance against budget figures was considered by the Council at its meeting on 29 July 2021. The Budget Reports were examined by the Internal Auditor and were found to be comprehensive, well-constructed and informative. The Second Quarter (1 July 2021 to 30 September 2021) performance against budget figures was noted and accepted by the Council at its meeting on 28 October 2021.

5.4 The process for the **Budget for 2022/23** provided that the Town Manager should produce a budget based on all the issues discussed by standing Committees and that the Finance Strategy Working Group should work on the document at its meeting on 11 October 2021. The approved budget setting process would then continue through the standing Committees for final consideration and approval by Full Council.

5.5 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 Council continues to receive comprehensive reports from the Town Manager/RFO and the Finance Strategy Working Group regarding the Allocation and Re-Allocation of Earmarked and General Reserves, Virements and Quarterly performance figures. Details of current Earmarked Reserves (as at November 2021) have been published on the Council's website and display a total of £892,191 excluding the General Fund.

5.6 A **Financial Reserves Management Policy** is in place, having been considered and adopted by the Council on 27 May 2021. The Policy provides that the level of financial reserves held by the Council will be agreed by the Establishment and Policy Committee during discussions leading to the setting of the budget for the next financial year. The Policy also states that the current level of General Reserves to held by the Council should be no less than the monies considered to be adequate for 6 months running costs of the Council. The Policy was updated by the Council on 29 July 2021 and is due for further review in March 2022. A copy of the Policy has been published on the Council's website.

5.7 The Council considered and approved an **Investment Strategy** document at its meeting on 24 June 2021, following recommendations from the Establishment and Policy Committee, with the aim of rationalising unallocated monies and investing them in appropriate accounts.

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

6. 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).

6.1 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.

6.2 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. Monthly lists of items of Expenditure over £500 are published on the Council's website in compliance with the Transparency Code 2015.

6.3 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.

6.4 The **Internal Audit End-of-Year Report for the previous year (2020/21)** was considered and adopted by the Council at its meeting on 27 May 2021. The Report raised no matters of concern.

6.5 The Internal Auditor for the 2021/22 was appointed by the Council at its meeting on 24 June 2021 and was charged to undertake an Interim Internal Audit and an End-of-Year Internal Audit during the 2021/22 year of account.

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

7.1 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.

7.2 The Council's Establishment was increased following the Council's approval of the new post of Project Officer. At a meeting of the Personnel Committee on 18 August 2021 the job description was approved and the salary scale set at the NJC SCP 14.

7.3 The Council demonstrates good practice by placing emphasis on succession planning. At the meeting of the Personnel Committee on 14 October 2021 the date of the retirement of the Senior Administrator in 2022 was noted and the Committee agreed that there should be a two-month overlap to enable all legal and financial training to take place.

7.4 The Internal Auditor undertook sample checks on the October 2021 and November 2021 payroll. It was confirmed that:

Town Manager/RFO was paid at NJC Scale Point (SCP) 32.

Senior Administrator was paid at NJC SCP 14.

Project Officer was paid at SCP 14 (part time, 20 hours per week).

Administration Assistant was paid at NJC SCP 8 (part-time, 20 hours per week).

7.5 Sample checks were undertaken on payments to other staff for the months of October 2021 and November 2021 and were found to be in order.

7.6 At the time of this Interim Internal Audit review the NJC had yet to agree a national pay award that would apply to local government officers from 1 April 2021.

7.7 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).

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

8.1 A Petty Cash float of £200 is maintained and is recorded in the overall Bank Reconciliation as at 31 October 2021. As the Internal Audit was having to be undertaken remotely the Petty Cash transactions were not examined. The arrangements for Petty Cash and a sample of transactions will be examined at the End-of-Year Internal Audit in order that the necessary confirmation/assurance can be provided in the Annual Internal Audit Report within the 2021/22 AGAR.

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8.2 The Town Manager holds a Payments Card and is required to use it solely by himself in accordance with Financial Regulations item 6.18. A sample of Payment Card transactions will be examined during the End-of-Year Audit to ensure that the transactions are in accordance with Financial Regulations and supported in each case by an invoice/voucher.

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

9.1 The **Fees and Charges for the year 2021/22** were considered by the Council at its meeting on 24 September 2020 (Allotment Rents, Cemetery Fees, room hire charge for the Jubilee Centre and hire fees for the Jubilee Field). 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).

9.2 The Town Manager/RFO presents reports to the Council on income received. The reports are formally considered and approved by the Council. Monthly lists of items of Income are published on the Council's website.

9.3 The Council receives income from **Allotments** from two sites, at Riverside and at Lark Road. The previous Internal Audit report noted the step-change improvements put in place by the Town Manager/RFO including the new structure of inspections began in 2020/21 following confirmation that all allotment holders had agreed the accuracy of Council records held. 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 to support the income recorded in the year.

9.4 The **Register of Burials and Interments** is maintained manually and from which information is transferred onto the Edge Accounting System. The Transaction List for Burials is maintained in the Edge Accounting System to evidence and support the income received in the year. An electronic register of all the burial books up to the present day is being maintained.

9.5 The Council also operates a **Lettings Service** to a range of local organisations, groups and individuals. The Transaction List for Lettings Income evidences and supports the amounts received for the Jubilee Centre and the Jubilee Field.

9.6 In view of the Internal Audit being conducted remotely/electronically, the individual Registers were not examined; the income controls can be verified at the next internal audit undertaken at the Council's offices.

9.7 Regarding **Fees and Charges for the year 2022/23**, at its meeting on 30 September 2021 the Council resolved to freeze the hire fees for 2022/23 for all Council buildings and field hire except the Breckland Room (reduced to £10 per hour) and the Fenland Room (reduced to £14 per hour, £50 for 4 hours). The Council

agreed that non-commercial hire fees for buildings (excluding field hire) would be reduced from 1 October 2021 to 31 March 2022.

9.8 The Council also considered allotment charges at its meeting on 30 September 2021 and agreed to increase the charge for a full plot by £2 and a half plot by £1.

9.9 The Council demonstrates good financial practice by regularly reviewing the sums owed to the Council. The Town Manager/RFO presented a List of Current Debtors to the Council at the meeting held on 27 May 2021 and updated the Council on these matters at the meetings held on 24 June, 29 July, 30 September and 28 October 2021.

9.10 The **Outstanding (Aged) Debtors List** presented to the Internal Auditor totalled £3,481.25 as at 15 November 2021. Within this amount there was one account outstanding in excess of 90 days (for £50), two accounts outstanding for between 60 and 90 days (totalling £68) and 11 accounts outstanding for between 30 and 59 days (totalling £521.17).

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

10.1 At its meeting on 27 May 2021 the Council considered and agreed to adopt the **Risk Management Strategy document** with detailed changes concerning the LCRS Risk Management Software, following a recommendation from the Establishment and Policy Committee.

10.2 At the meeting held on 25 March 2021 the Council considered and adopted the amended **Financial Risk Assessment and Statement of Internal Controls**. The document is comprehensive and identifies the financial risks faced by the Council and the actions in place to mitigate those risks. A copy has been published on the Council's website.

10.3 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. The Council formally receives and notes the document, which brings any uncontrolled risks to Councillors' attention.

10.4 The Council should undertake an overall review of the Internal Control and Risk Assessment documentation before the end of the financial year, 31 March 2022, in order to fully comply 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.

10.5 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 regular reports on the condition of equipment and on the Playground Inspection Reports. Free monthly inspections are being carried out by West Suffolk Council. 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.

10.6 The Council's insurance requirements were considered by the Council at its meeting on 30 September 2021 when the quotation of £5,368.92 from BHIB Insurers for one year's cover for general insurance needs was accepted. The Council also agreed the renewal of the Fleet Insurance at a cost of £1,050,92 with WPS Hallam. The Senior Administrator confirmed to the Internal Auditor 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).

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

11.1 A detailed Asset Register is maintained and was examined in detail by Internal Audit during the 2020/21 End-of-Year Internal Audit to ensure that assets were fully and correctly recorded in Section 2 of the AGAR. The Council's Asset Register records a description of each asset owned by the Council, its location, purchase date/value (where known) and insurance value. The Register was reviewed by the Council at its meeting on 25 February 2021 and amendments agreed. As at 31 March 2021 the Register displayed a value of £1,699,974 which was placed in Box 9 of the 2020/21 AGAR. A copy of the Register has been published on the Council's website.

11.2 The Register will be reviewed in detail by the Internal Auditor at the End-of-Year Audit to confirm that it complies with current requirements (which provide that each asset should be recorded on a consistent basis, year-on-year) and in order that appropriate certification can be made in the Annual Internal Audit Report within the AGAR for the year 2021/22.

11.3 An Asset Management Action Plan is in place, having been adopted by the Council on 24 September 2020. In addition, a Building Management Scheme is being used with full functionality with three members of staff fully trained on the system.

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

12.1 The 2020/21 End of Year Internal Audit confirmed 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.

12.2 The Charity's 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 2021 as being received on 17 November 2021, 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.

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

13.1 The **Certificate and Report from the External Auditors** PKF Littlejohn LLP for the previous year (2020/21) was dated 18 September 2021. The Auditors confirmed that no matters had arisen that gave any cause for concern. The Report noted that the Council had not provided an adequate explanation between two boxes in the Annual Return. This was disputed by the Town Manager/RFO and his staff who had provided the necessary explanations to PKF Littlejohn LLP. In addition, the End of Year Internal Audit Report had specifically listed the details of the difference between the two boxes at item 4.4 of the Report.

13.2 The Report and Certificate were reported to the Council at its meeting on 30 September 2021. The External Audit Certificate (Part 3 of the Annual Governance and Accountability Return) has been published on the Council's website.

14. Publication Requirements.

14.1 Under the Accounts and Audit Regulations 2015 authorities must publish each year the following information on a publicly accessible website:

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

14.2 The period of 28 June 2021 to 6 August 2021 was set by the Council for the Exercise of Public Rights.

14.3 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).

14.4 The Internal Auditor was able to confirm that the documents relating to the year 2020/21 were readily accessible on the Council's website:

<https://www.mildenhall-tc.gov.uk/>

14.5 As reported as item 6.2 above, the Council is meeting the publication requirements of the Local Government Transparency Code 2015, which provides that larger parish/town councils which have gross annual income or expenditure (whichever is the higher) exceeding £200,000 must publish details of each individual item of expenditure that exceeds £500.

15. Additional Comments.

15.1 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

Trevor Brown, CPFA

Internal Auditor

5 December 2021