

# Internal Audit Report

(to be read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return)

Name of council:	Syston Town Council		
Name of Internal Auditor:	Hannah Surtees	Date of report:	14.05.2021
Year ending:	31 March 2021	Date audit carried out:	14.05.2021

*Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the staff and management and not left for internal audit.*

***The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.***

## To the Chairman of the Council:

Due to the current coronavirus pandemic, I communicated remotely with Catherine Voyce (Town Manager and Responsible Financial Officer) to complete the 2020-21 internal audit for Syston Town Council. I would like to thank Catherine for her time and assistance in co-operating in this manner.

A series of independent audit tests were undertaken using the various financial records, documents, minutes, and the previous audit report to ascertain the efficiency and effectiveness of the Council's internal controls. These tests were undertaken by reference to the comprehensive information available on the Town Council's website, along with additional documentation being obtained electronically.

### Internal Control

1. The Council reviewed and modified its Standing Orders to support the new empowerment enshrined in the Coronavirus Act 2020 and associated 2020 Regulations that permitted the holding of virtual meetings.
2. The accounts are completed in a timely manner and are reported to Council on a monthly basis.

### Risk Management

3. The Town Council continually monitors its current level of reserves to ensure that it is sufficient to finance unexpected expenditure or emergencies.

Section 5.32 of Governance and Accountability for Smaller Authorities in England sets the generally accepted recommendation that a Smaller Authority's General Reserve should be maintained at between 3- and 12-months Net Revenue Expenditure.

4. The Town Council's income streams were unavoidably impacted as a result of the coronavirus pandemic, and whilst grants were received from Charnwood Borough Council to help offset this reduction during 2020-21, the Town Council continues to carefully consider the long-term financial impact of the coronavirus crisis.

### Governance

5. The Council's Financial Regulations incorporate the requirements of The Public Contracts Regulations 2015, but the Regulations require review to ensure that there are not any contradictions with the correct limit.
6. Despite a challenging year because of the coronavirus pandemic, the Council has still found time to review its extensive list of policy documents.
7. The Town Clerk and Council staff are to be commended for the way in which they adapted and managed to keep local services running so efficiently for their community in such uncertain times.

By reviewing the hard evidence, discussing with the Town Manager, and selectively testing a small number of transactions, I am satisfied that the Council is operating sound policies and procedures which enable it to deliver its services and fulfil its responsibilities effectively and efficiently. Recommendations have been made within this report to enhance and strengthen the internal controls that exist. I have tested all the Internal Control Objectives I am required to consider, and in all significant respects, the objectives have been met. I have therefore completed the Internal Audit Report section of the Annual Governance and Accountability Return.

This report is based on the evidence made available to me. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council to detect error or fraud. Consequently, the report is limited to those matters set out.

Yours sincerely,

Hannah Surtees  
LRALC Internal Auditor

The figures submitted in the Annual Governance and Accountability Return are:

	<b>Year ending 31 March 2020</b>	<b>Year ending 31 March 2021</b>
1. Balances brought forward	509,391	430,532
2. Annual precept	465,200	514,820
3. Total other receipts	223,650	64,811
4. Staff costs	287,726	316,123
5. Loan interest/capital repayments	30,230	30,230
6. Total other payments	449,753	207,035
7. Balances carried forward	430,532	456,775
8. Total cash and investments	427,306	450,980
9. Total fixed assets and long-term assets	3,126,838	3,134,661
10. Total borrowings	163,347	141,809

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2018)*. It is a guide to the accounting practices to be followed by local councils and sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

<http://www.leicestershireandrutlandalc.gov.uk/uploads/governance-and-accountability-for-smaller-authorities-in-england-2019-sections-1-5-1.pdf>