

Annual Internal Audit Report 2020/21

Buckingham Town Council

www.buckingham-tc.gov.uk

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

06/05/2020

Name of person who carried out the internal audit

Paula Sakalla AAT - IAC Audit & Consultancy Ltd

Signature of person who carried out the internal audit



Date

07/05/2021

*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:

BUCKINGHAM TOWN COUNCIL

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.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
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.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
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.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
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.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		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.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
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.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
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
			has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

*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:

7/6/2021

and recorded as minute reference:

71.1/21

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

Chairman

M. Gabeley

Clerk

PUM

Section 2 – Accounting Statements 2020/21 for

BOCKINGHAM TOWN COUNCIL

	Year ending		Notes and guidance
	31 March 2020	31 March 2021	
1. Balances brought forward	509 003	61 7568	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.
2. (+) Precept or Rates and Levies	852 777	903 930	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	217 975	172 019	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	50 7714	55 9329	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.
5. (-) Loan interest/capital repayments	4 702	4 702	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	449 771	392 222	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	61 7568	73 7264	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	578 213	662 269	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.
9. Total fixed assets plus long term investments and assets	244 4121	247 6318	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.
10. Total borrowings	5 2072	4 9687	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) Disclosure note re Trust funds (including charitable)	Yes	No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets. N.B. The figures in the accounting statements above do not include any Trust transactions.
		✓	

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

Paul [Signature]

Date

01/06/2021

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

7/6/2021

as recorded in minute reference:

71.2/21

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

M. Gabeley

Bank reconciliation – pro forma

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 20xx" in Sect and will also agree to Box 7 where the accounts are prepared on a receipts and payments basis. Please complete the highlighted boxes, remembering that unpresented cheques should be entered as

Name of smaller authority: BUCKINGHAM TOWN COUNCIL

County area (local councils and parish meetings only): BUCKINGHAMSHIRE

Financial year ending 31 March 20xx

Prepared by (Name and Role): PAUL HODSON RFO

Date: 31/03/2021

		£	£
Balance per bank statements as at 31/3/21:			
CURRENT	account 1	151,442.95	
FIXED TERM DEPOSIT	account 2	10,229.04	
CCLA	account 3	500,381.04	
[add more accounts if necessary]	account 4		
	account 5		
	account 6		
	account 7		
	account 8		662,053.03
Petty cash float (if applicable)		260.32	260.32
Less: any unpresented cheques as at 31/3/21 (enter these as negative numbers)	item 1		
[add more lines if necessary]	item 2		
	item 3		
	item 4		
	item 5		
	item 6		
	item 7		
	item 8		
Add: any un-banked cash as at 31/3/21			
	501055	371.00	
	501057	585.00	
			956.00
Net balances as at 31/3/21 (Box 8)			663,289.35

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:

BUCKINGHAM TOWN COUNCIL

County area (local councils and parish meetings only):

BUCKINGHAMSHIRE

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		737,264
Deduct: Debtors (enter these as negative numbers)		
1 DEBTORS	80,452	
2 VAT	24,000	
3	-	
	<u>104,452</u>	
Deduct: Payments made in advance (prepayments) (enter these as negative numbers)		
1		
2		
	<u>-</u>	
Total deductions		<u>104,452</u>
Add:		
Creditors (must not include community infrastructure levy (CIL) receipts)		
1 CREDITORS	8,791	
2 WAGES/PAYE/PENSION	17,166	
3	-	
	<u>25,957</u>	
Add:		
Receipts in advance (must not include deferred grants/loans received)		
1 ACCRUALS	3,500	
2	-	
	<u>3,500</u>	
Total additions		<u>29,457</u>
Box 8: Total cash and short term investments		<u><u>662,269</u></u>

Explanation of variances – pro forma

Name of member authority:
County Area Board of Health
Insert figures from Section 2 of the AOR in all Blue highlighted boxes

2019/20
2020/21

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 years 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?
1 Balances Brought Forward	504,000	472,395	-31,605	-6.27%	NO
2 Precept or Rates and Levies	482,272	493,500	11,228	2.33%	NO
3 Total Other Receipts	21,928	72,188	50,260	229.17%	YES
4 Staff Costs	507,714	559,234	51,520	10.15%	NO
5 Loan Interest/Capital Repayment	1,102	4,702	3,600	326.67%	NO
6 All Other Payments	48,271	50,422	2,151	4.46%	NO
7 Balances Carried Forward	87,888	77,294	-10,594	-12.05%	NO
8 Total Cash and Short Term Investments	578,218	597,289	19,071	3.29%	NO
9 Total Fixed Assets plus Other Long Term Investments and Assets	2,117,121	2,479,918	362,797	17.14%	NO
10 Total Borrowings	52,022	49,892	-2,130	-4.10%	NO

Rounding errors of up to £2 are tolerable
 Variances of £200 or less are tolerable

Explanation from smaller authority. Must include narrative and supporting figures.
 Loss of income from Buckingham Tourist Information Centre (merchandise not being sold) and Lacey Hill Sports and Community Club (hall hire not required because of activities not permitted) Covid-19. This was also no income from hanging basket rental/maintenance or from some of our annual events for example the comedy night, food fair and good endings fair which also had to be cancelled due to covid-19