

Internal audit report to the members of Alnwick Town Council

Ladies and Gentlemen,

I have completed the internal audit of the accounts for the year ended 31st March 2018. I have the following recommendations to make:

1. Whilst the Clerk checks 100% of invoices, I recommend that the Assistant Clerk be used to boost the level of the additional internal check on payments currently provided by Councillors, although a 100% check is not expected. Current levels of additional check are below 50% and these should be higher.
2. The frequency of Bank Reconciliations being reported to Council is lower than expected for a Council of this size. The publication Governance and Accountability for Local Councils (A Practitioners Guide 2008) indicates that whilst the frequency of Bank Reconciliations is a matter for the Council it is "good practice" to do this monthly. Whilst officers complete the reconciliation monthly, this is currently only reported to the Council on a quarterly basis. It may be that the current meetings schedule and the present banking arrangements preclude a monthly reconciliation but I recommend that the Bank Reconciliation be presented to full Council at least six times a year, instead of the current four. The Clerk undertook to look into the banking arrangements to see if statements can be obtained/viewed to enable a monthly service to be provided.

The Clerk/ CFO and I discussed other matters in relation to the accounting system and the sub systems to it and he has undertaken to look into a matter concerning a possible under payment. This is not a matter material to the Council's financial position.

As required I have signed the Internal Audit section of the Annual Return.

Yours faithfully

John A Ainsworth
16th May 2018