

Mike Slaughter
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NE61 5ET
9 May 2022

Ms Gillian Turner
Acting Town Clerk & Responsible Finance Officer
Newbiggin by the Sea Town Council
76 Front Street
Newbiggin by the Sea
NE64 6QD

Dear Gillian,

Internal Audit Report to the members of Newbiggin by the Sea Town Council.

I have now completed the full internal audit work of the Town Council's accounts, governance and financial procedures for the 2021/22 financial year.

The audit has been conducted in accordance with the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission, which requires compliance with relevant United Kingdom audit standards.

The audit included examination of all evidence relevant to the amounts and disclosures in the summary accounts and notes, sufficient to give reasonable assurance that the accounts and notes are free from any material misstatement. All points raised during both the interim and year-end audit were answered to my full satisfaction.

Please find enclosed my assessment of the system of internal control and my audit checklist giving details of the work conducted. Based on the work undertaken, I am satisfied that the Town Council's robust systems of financial and administrative management operate effectively and efficiently and provide a sound audit trail.

In my opinion, the summary accounts present fairly the Income and Expenditure of Newbiggin by the Sea Town Council for the financial year ended 31 March 2022. I certify that I have now finalised the year end work for 2021-22 and have, as required, completed the Annual Internal Audit Report required as part of the Annual Governance and Accountability Return (AGAR) for 2021/22.

It is recommended to the Town Council that, as best practice and for the avoidance of doubt or any confusion to local electors, you look to publish the Annual Internal Audit Report on the Town Council's website alongside Sections 1, 2 & 3 of the AGAR 2021/22, in accordance with the publication requirements.

In concluding my work for 2021/22, my personal thanks to you, Elaine and Leanne for your hospitality, courtesy and patience in answering my many questions regarding both the systems, plans and projects of the Town Council.

As requested, I have enclosed my invoice for the full 2021/22 internal work undertaken.

If there are any matters you wish to discuss or clarify, please do not hesitate to contact me.

Kind regards,

Mike Slaughter

SYSTEM OF INTERNAL CONTROL

I have provided an internal audit service for Newbiggin by the Sea Town Council for the financial year ending 31 March 2022 and acting independently, I examined the system of internal control by undertaking the following full tests and reporting my findings to the Town Council.

	TEST	UNDERTAKEN
1	Checking that books of account have been properly kept throughout the year	Yes
2	Checking a representative sample of payments (100%) to ensure that the Council's financial regulations have been met, invoices support payments, expenditure is approved and that VAT is correctly accounted for	Yes (Full Sampling)
3	Reviewing the Council's risk assessment and ensuring that adequate arrangements and insurance cover are in place to manage all identified risks.	Yes
4	Verifying that the annual precept request is the result of a proper budgetary process; that the budget process has been regularly monitored and that the Council's reserves are adequate	Yes
5	Checking a sample of income records (40%) to ensure that correct prices have been charged, income received, recorded and promptly banked and VAT is properly accounted for.	Yes
6	Reviewing petty cash records to ensure receipts support payments, expenditure is approved and that VAT is correctly accounted for. <u>The Council does not operate a petty cash account.</u>	N/A
7	Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied.	Yes
8	Checking the accuracy of the assets and investment records	Yes
9	Testing the accuracy and timeliness of periodic and year-end bank account reconciliations.	Yes
10	Year-end testing on the completeness and accuracy of the financial statements	Yes

On the basis of my examination and with reference to the tests listed above, it is my view that the Council have a system of internal controls in place that are adequate and effective for the purpose intended. Where considered appropriate, I have made recommendations to the Town Council for both reference and action.

Mike Slaughter
Internal Auditor
Date: 9 May 2022