**FINAL REPORT BY THE INTERNAL AUDITOR TO APPLEBY TOWN COUNCIL**
**1ST OCTOBER 2023 - 31ST MARCH 2024**
**FINANCIAL YEAR ENDING 31ST MARCH 2024**

**Introduction**
This final report for the financial year 1st April 2023 to 31st March 2024 covers elements required by the Account and Audit Regulations (England) 2015 which were not covered in the interim report for the period 1st April 2023 – 30th September 2023.

I confirm I have on the 21st May 2024 undertaken a final audit which covers the period 1st October 2023 to 31st March 2024 in accordance with the Account and Audit Regulations (England) 2015 as outlined in the schedule previously circulated and approved by Council and incorporating any new requirements as outlined in "Governance and Accountability for Smaller Authorities in England" March 2024

**Appropriate accounting records have been kept throughout the year.**
The completed 2024 Annual Governance and Accountability Return (AGAR) confirms that the closing balance on 31st March 2023 has been correctly carried forward to 1st April 2024 to commence the financial year.
The bank reconciliation on 31st March 2024 correctly reflects the balances on all bank accounts.
The balances at the bank as at the 31st March 2024 are considered adequate to enable the Council to fulfil budgeted expenditure, deliver planned projects and retain an adequate cash flow. - £183,783.36. The town Clerk/RFO has identified ring-fenced amounts and earmarked balances within the total reserves and will itemise for the report to be included with the Annual Governance and Accountability Return 2024. (AGAR)
External Audit guidance advises free revenue cash reserve nearer 3 months Net Revenue Expenditure (N.R.E.) for authorities with a N.R.E. in excess of £200,00.
**RECOMMENDED** that the RFO advises the Council of the section of the Practitioners Guide 2024 – Page 38 General reserves Sct 5.33 – 5.39., this will assist Appleby Town Council in having a clear policy to establish an acceptable level of General Reserves. It will detail intentions to achieve all financial objectives and achieve transparency; enabling the parishioners to see what services the Council intends to deliver, with the public money raised through the Precept.

**The authority complied with its financial regulations, invoices supported payments, all expenditure was approved and VAT was accounted for.**
The Financial Regulations were reviewed to reflect current systems and processes, received at Council and adopted at the meeting held on 22nd. March 2023. – Minute No. C4/03/23
The rigorous tendering process for goods and services was evidenced by the documentation

made available. All tenders and quotes adhere to the up-to-date Financial Regulations.
A selection of financial transactions was reviewed in excess of £2000.00 all were supported by a clear audit trail.
Vat reclaims are prepared on a quarterly basis. Evidence was available to confirm the reclaims for the final quarter of the financial year 1st January 2024 – 31st March 2024.
The claim for the final quarter of the financial year 31st March 2024 had been reconciled and submitted to HMRC - £6215.44

**The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.**
Risk assessment is an on-going function throughout the year. All documents are reviewed annually. Significant risks are noted, with measures documented to minimise such risks. Appropriate insurance exists to cover financial and other risks.
Health and Safety and Fire Policy was reviewed and adopted at the meetings held on 22nd. February 2023 and Risk Assessment 22nd April 2024.

**The Precept requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored and reserves are appropriate.**
The Responsible Financial Officer (RFO) with full explanations of the recommendations prepares a budget report and it is presented to the Finance Committee for approval and prior to recommendations being made to Council. The Council subsequently approves the budget and notes in the Minutes the precept to be requested for the 2024-2025 financial year. – Finance Committee review of budget recommendation of precept to full Council Meeting – 15th January 2024 – Minute No. F6/01/24.
Full Council resolved the precept – Meeting 24th January 2024 – Minute No. C4/01/24. - £159130.

**Expected income was fully received based on correct prices, properly recorded and promptly banked and VAT appropriately accounted for.**
The Council has significant income from sources other than the Precept, mainly rents and TIC sales. Measures are in place to segregated cash handling from confirmation of the receipt and banking.
When received, it is properly recorded and promptly banked.

**Receipts properly supported Petty Cash payments, all petty cash expenditure was approved and VAT appropriately accounted for.**
The Council does not operate a Petty Cash account. The Clerk's expenditure incurred on behalf of the Council on Debit Cards is fully supported by invoices/receipts. VAT is identified and purchases are allocated to the appropriate budget headings.

**Salaries to employees and allowances to members were paid in accordance with the authority's approvals and PAYE and NI requirements were properly applied**

All payments reflect salary scales approved by Council. Returns to HMRC are made to meet required timescales. The record with all deductions for staff was properly prepared and available for inspection.
A comprehensive set of documents was available for inspection which detailed the process for staff appraisals of all Officers and staff which was carried out in the current year 1st April 2023 – 31st March 2024.

**Assets and investments register were completed and accurate and properly maintained.**
The Asset Register for the current financial year has been completed and has been reviewed and adopted, as it is annually, to a scheduled timetable ensuring accuracy for completion of the 2023-2024 AGAR. – Assets recorded - £4,476,102 No acquisitions or disposals occurred in the financial year. All assets are adequately covered by insurance.

**Accounting statements prepared during the year were prepared on the correct accounting basis – income and expenditure, all. schedules, etc agreed and were supported by an adequate audit trail from the core accounts. Debtors and Creditors were properly recorded. The Council has published on the website all documentation required under relevant legislation.**
The Council accounts are prepared on an Income and Expenditure basis as required by the Accounts and Audit regulations being an authority with income/ expenditure in excess of £200,000. The accounts clearly identify Debtors, Creditors, Receipts in Advance, and Accruals.
It is confirmed that the Council is fully compliant with requirements to publish information in line with relevant legislation.

The audit reports confirm that Appleby Town Council has fulfilled its statutory obligations and all finance and procedures comply with legislation. The comprehensive website ensures the electorate is fully aware of the use of all public funds

I wish to express my appreciation to the/Town Clerk/Responsible Financial Officer and the Administrative Assistant for the preparation of all relevant financial documents, reports, comprehensive governance documents and the completeness of information on the website which facilitated the audit.

Georgina D Airey - Internal Auditor – 22nd. May 2024