

## **Report to Eye Town Council**

### **The Interim Internal Audit Review as at October 2019**

#### **1. Introduction and Summary.**

1.1 The Internal Auditor attended the Council's offices on 23 October 2019 to commence the Interim Internal Audit Review. Mrs Wendy Alcock, the Clerk and Responsible Financial Officer (RFO), was in attendance. An Audit Plan was agreed for the Interim Review, which will lead into and inform the End-of-Year Internal Audit which is planned to take place in April 2020.

1.2 This Interim Review has confirmed that the Clerk/RFO continues to successfully deliver efficient and effective financial administration, including the advanced use of the Scribe accounting system. The high quality of the Council's financial control documentation is being maintained and provides evidence of the operation of adequate and effective internal financial controls.

1.3 The Council demonstrates many examples of good management and financial control. These include the agreement and setting of Strategic Priorities and the adoption and maintenance of a wide range of formal Policies, Procedures and Protocols. The Council is working to implement the Eye Neighbourhood Development Plan, which is currently under review by the Independent Examiner. A local referendum relating to the acceptance of the Plan is expected to take place in early 2020.

1.4 The following Internal Audit work was carried out on the adequacy of the systems of internal control in accordance with the Audit Plan. Comments and any recommendations arising from the review are made below.

#### **2. Governance, Standing Orders, Financial Regulations and other Regulatory matters (*examination of Standing Orders, Financial Regulations, Code of Conduct, Formal Policies and Procedures, Tenders where relevant. Acting within the legal framework, including Data Protection legislation*).**

2.1 Standing Orders are in place; the Council agreed and adopted updated Standing Orders at its meeting on 16 May 2018 (Minute 9.1 refers). A copy of the current Standing Orders has been published on the Council's website.

2.2 Financial Regulations are also in place and have recently been reviewed by the Clerk/RFO. The up-dated Regulations are due to be presented to the Finance and Governance Committee on 7 November 2019 and then to Full Council on 20 November 2019 for consideration and approval. The Clerk/RFO has ensured that the revised Financial Regulations reflect the Council's current Internet Banking arrangements and Petty Cash facilities and the emphasis being placed on electronic payments and the financial and management controls being exercised. The revised

Regulations also incorporate the changes applied within the new model Financial Regulations published by the National Association of Local Councils (NALC) in August 2019.

2.3 At its meeting on 15 May 2019 the Council agreed and adopted a Terms of Reference document for its Committees and also approved the revised Committee structure and membership (Minute 9.2 refers).

2.4 The Council is currently reviewing and updating its Strategic Priorities. This review will assist in informing the setting of the 2020/21 Budget.

2.5 The Minutes of the Council and the Committees are very well presented and provide clear evidence of the decisions taken by the Council and Committees in the year.

2.6 The Council is registered with the Information Commissioner's Office (ICO) as a Fee Payer/Data Controller for the provision of council services under Data Protection legislation (Registration ZA059872 refers, expiring 19 June 2020). Since 1 April 2019 the role and responsibilities of the Data Protection Officer (DPO) have been undertaken by the Clerk/RFO and are now built into her job description (the meeting of the Finance and Governance Committee on 4 April 2019. Minute 4 refers). Whilst there is no legal requirement for a local council to appoint a DPO, the Council has demonstrated good practice by making such an appointment.

2.7 The Council demonstrates compliance with the General Data Protection Regulations (GDPR) through its adoption of a Data Protection Policy, an Information Protection Policy and an Information Security Incident Policy. These Policies were reviewed and re-adopted by the Council at its meeting on 15 May 2019 (Minute 9.4 refers). The Council also maintains a Retention of Documents Policy and a Social Media and Electronics Communications Policy (approved at the Council's meeting on 20 June 2018) in response to the requirements of the GDPR.

2.8 The GDPR Compliance Report received from the Local Council Public Advisory Service (LCPAS), following work completed during 2018/19, was reported to the Finance and Governance Committee on 2 May 2019. The Report advised that the Council's compliance was acceptable but raised some issues which were listed for the Committee's attention. The Clerk/RFO confirmed to Internal Audit that she has since addressed these issues in her role as the Council's DPO.

2.9 The Council demonstrates good practice by maintaining a wide range of formal policies and procedures in addition to those relating to data protection. The Clerk/RFO maintains a schedule of current policies, including the frequency of review and the date of the next planned review. The Finance and Governance Committee has previously agreed to receive policies due for review, two at a time. As part of these arrangements, the Council approved and adopted the Equal Opportunities Policy and the Storage of Valuables Policy at its meeting on 17 April 2019 (Minute 10.2 refers).

2.10 The Council adopted the Green Cemetery Policy at the meeting on 17 April 2019 following the review and recommendation of the policy by the Environment

Committee. The Council also reviewed and approved the Complaints Procedure, the Freedom of Information publication scheme and the Dealing with Press/Media Policy at its meeting on 15 May 2019 and a Health and Safety Policy at its meeting on 18 September 2019.

2.11 At its meeting on 16 October 2019 the Council adopted the Grant Award Policy following a recommendation from the Finance and Governance Committee's meeting on 3 October 2019.

2.12 The Council demonstrates good practice by periodically re-adopting the Code of Conduct, which details the requirements and responsibilities placed upon each individual Councillor. The Suffolk Local Code of Conduct was reviewed by the Finance and Governance Committee at its meeting on 8 November 2018 and the Code was subsequently re-adopted by the Council at its meeting on 21 November 2018 (Minute 11.5 refers).

2.13 The Council is making appropriate preparations to ensure that the new website accessibility regulations will be complied with no later than 23 September 2020. The Clerk/RFO reported on this matter to the Finance and Governance Committee on 5 September 2019. The Clerk/RFO confirmed to the Internal Auditor that Echo Internet, the company hosting the Council's website, has a framework in place to accommodate compliance with the new accessibility requirements.

### **3. Accounting Procedures and Proper Book-keeping (*examination of entries in the Cashbook, regular reconciliations, supporting vouchers, invoices and receipts and VAT accounting*).**

3.1 The Scribe Accounting System satisfactorily maintains the Council's Receipts and Payments accounting system and was seen to be in good order. Scribe is a cloud-based operating system, accessed by personal log-in and password, and can be accessed through any internet platform and connection, not only the Clerk/RFO's laptop computer.

3.2 The accounting system was confirmed as being up to date; entries within the system included the Payments List presented to the Council on 16 October 2019. Sample tests were undertaken on the system with the Clerk/RFO to confirm the adequacy and integrity of the accounting arrangements in place.

3.3 The system is well referenced and overall provides a good audit trail to the supporting documentation. The Clerk/RFO demonstrated to the Internal Auditor the clear audit trail from the underlying financial records to the Accounts, with supporting invoices and vouchers in place. VAT payments are tracked and identified within the Cashbook.

3.4 The Clerk/RFO is extremely competent in dealing with the essential elements of the system and undertakes all necessary up-dates, report generation and regular reconciliation between the Accounts and the bank statements.

3.5 Payments made under Section 137 of the Local Government Act 1972 are recorded within the Scribe system. Individual payments made under Section 137 are reported to the Council and the approval of each payment under Section 137 is Minuted as a formal record. A Budget of £500 has been set for Section 137 payments in 2019/20, an amount which is within the statutory limit.

3.6 The data relating to Payments and Receipts maintained within the Scribe system is well referenced and provides a good audit trail to the Bank Statements and electronic payment vouchers. The overall data held provides good evidence in support of the payments made and income received.

3.7 The Clerk/RFO confirmed that the Payments List is signed at each meeting of the Council, currently by one of three designated authorised signatories. Cross referencing between the List and invoices/vouchers for payment is completed prior to electronic payments being actioned. Very few cheques are now prepared for payment. The invoices/vouchers for payment are also signed confirming the validity of the payment due to be made. Bank transfers are transacted on the day after the Payments List has been approved by the Council. The Minutes of each Council meeting continue to provide a clear record of the payments made.

3.8 The Council is registered with HMRC for VAT purposes. The Scribe operating system is effective in assisting with the monthly digital VAT returns to HMRC, the relevant software having been built into the system. The Clerk/RFO reported to the Finance and Governance Committee on 6 June 2019 that the Council is registered to make VAT submissions digitally in accordance with HMRC requirements. The Clerk/RFO confirmed to Internal Audit that the Council was the first local authority using the Scribe system to make a digital submission. The Clerk/RFO is to be commended in this respect and for enabling the Council to achieve Tax Digital status at the beginning of the tax year 2019/20.

3.9 Sample tests were undertaken by Internal Audit to ensure that the VAT element within payments is being clearly identified and appropriately accounted for within the Scribe system. The VAT re-claims to HMRC are completed on a monthly basis, the most recent submission covering the month of August 2019. The Clerk/RFO confirmed to the Internal Auditor that the return for September 2019 would be submitted to HMRC before the deadline of 7 November 2019.

3.10 The Scribe system continues to record allotment income (with each allotment holder being listed in the system to enable sales invoices to be prepared and debtors monitored) and the Asset Register information. Work is currently continuing regarding the transfer of data from the bound Cemetery Ledgers into Scribe's Cemetery Management System.

**4. Bank Reconciliation (*Regularly completed and cash books reconcile with bank statements*).**

4.1 Bank Reconciliations and supporting details are regularly presented to the Council by the Clerk/RFO. Bank Reconciliations as at 31 March 2019, 30 April 2019, 31 May 2019, 30 June 2019, 31 August 2019 and 30 September 2019 were presented to meetings of the Council and formally noted by Councillors.

4.2 The Internal Auditor examined in detail the Bank Reconciliation as at 30 September 2019 presented to the Council at its meeting on 16 October 2019. The Reconciliation was confirmed to be correct.

4.3 The bank statements as at 30 September 2019 in respect of the Council's Barclays Business Current Account (£108,994.24) and the Business Savings Account (£49,156.85) agreed with the entries in the Bank Reconciliation. The National Savings Account balance of £30,770.73 is recorded as unchanged from that included in the End of Year Accounts as at 31 March 2019 (the most recent account statement available being dated 31 December 2018).

4.4 The Petty Cash balance as at 30 September 2019 was recorded as £149.06 in the Bank Reconciliation. Payments from Petty Cash are detailed in the Accounts Payable Lists presented for approval at each meeting of the Council.

4.5 The Reconciliation listed five outstanding Barclaycard credit card items totalling £113.24 as at 30 September 2019 (listed under the heading of 'unpresented cheques'). The Clerk/RFO will be correcting the heading for future reconciliations to reflect the fact that the listing refers to the Barclaycard credit card and not unpresented cheques.

**5. Budgetary controls (*Verification of the budgetary process with reference to Council Minutes and supporting documents*).**

5.1 The Finance and Governance Committee receives, at each meeting, a Budget Monitoring Report which compares the income and expenditure to date with the budget available under each heading. A copy of the Monitoring Report is presented to each Committee Chair. It is good financial practice for Councillors to receive regular reports of the income and expenditure in the year compared against the budget. In this way, Councillors will have the opportunity to receive sufficient information and data to make informed decisions and, specifically, will be in a position to identify any significant variations from budget and recommend any remedial action to the Council as necessary.

5.2 The Half-year Budget Monitoring Report is due to be presented to the Finance and Governance Committee at its meeting on 7 November 2019 and then to full Council on 20 November 2019.

5.3 The Clerk/RFO confirmed to Internal Audit that the First Draft Budget for 2020/21 is also due to be presented to the Finance and Governance Committee at its meeting on 7 November 2019, when the Chairs of the Committees holding budgets are due to

put detailed proposals to the Committee. The Clerk/RFO confirmed that the First Draft Budget will be both detailed and informative and will ensure the Council is well placed to consider and agree the financial requirements for the 2020/21 year. In this way, the Budget document can act as a sound basis on which the Council can operate effective budgetary control and scrutiny during the 2020/21 year.

5.4 The overall Reserves available to the Council as at the date of the Internal Audit (23 October 2019) stood at £189,071. This consisted of General Reserves of £112,484 (of which £47,727 is committed expenditure to the year end 31 March 2020) and Earmarked Reserves of £76,587, as follows:

- Town Hall Refurbishments: £26,315
- Balance of receipt from insurance payment re: damage to streetlight: £2,000
- Repairs to Churchyard Wall: £2,000
- Community Infrastructure Levy Receipts: £11,249
- Skate Park - urgent works: £250
- Skate Park – waste collection: £250
- Barrister Costs: £2,500
- General Reserves utilised to cover 2019/20 expenditure items: £17,023
- Community Land Trust (Housing Grant): £4,000
- Disabled Toilet Refurbishment: £10,000
- Mayors on the stairs: £1,000

5.5 The Council's General Reserves are in line with the generally accepted best practice that provides that General (non-earmarked revenue) Reserves should be equal to three to six months of contractual expenditure in the year. The Council is accordingly maintaining sufficient general reserves and contingency sums to meet, within reason, any unforeseen items of expense that may occur.

**6. Internal Financial Controls, Payments Controls and Audit Procedures**  
***(Confirmation that the Council has satisfactory internal financial controls in place for making payments with adequate documentation to support/evidence payments made. Identifying VAT payments and re-claims. Any previous audit recommendations implemented).***

6.1 The Clerk/RFO demonstrates commitment to maintaining adequate and effective internal financial controls and continues to deliver efficient financial administration on behalf of the Council. The Clerk/RFO exercises advanced use of the Scribe accounting system and maintains satisfactory documentation to evidence the operation of adequate and effective internal financial controls.

6.2 The Clerk/RFO continues to ensure that Councillors are provided with comprehensive financial information and advice to enable them to make informed decisions. The Council has a standing agenda item under which the Clerk/RFO presents Financial Matters including bank balances, the most recent bank reconciliation, a schedule of invoices for payment, the total of staff salaries for payment by bank transfer and significant items of income.



6.3 The Council's financial control framework includes the requirement that a Schedule of Payments and all supporting invoices/vouchers are initialled by a designated Councillor to confirm the validity and accuracy of the payments being made.

6.4 The Audit Plan for this Interim Review included a review of the process of the award of a new contract for the supply of gas to the Town Hall. The Council engaged Utility Aid Ltd, an energy and utility consultancy company, to provide proposals for energy supply to the Town Hall. Following recommendations from Utility Aid, the Council entered a fixed 3-year contract with Crown Gas and Power with effect from 1 October 2019 (the previous gas supplier to the Town Hall was Contract Natural Gas Ltd). The Council has followed good practice in ensuring that the cost of its energy supply is regularly reviewed against existing tariffs in order to identify the lowest possible prices. However, there are some increased risks attached to contracting with smaller companies that act as energy suppliers, particularly in terms of the uncertainty of them being an on-going concern. The Clerk/RFO has advised that if an energy supplier ceased to trade, Ofgem would appoint an interim supplier to continue with the supply (albeit at a potentially enhanced cost) until a new contract is secured.

6.5 The electricity supply to the Town Hall continues to be provided by Scottish and Southern Electricity Networks (SSE Ltd.), one of the 'Big 6' which, overall, have the majority of customers. The electricity supply contract with SSE Ltd. is on a fixed-term supply basis ending on 30 September 2022.

6.6 The End-of-Year Internal Audit Report for 2018/19 (dated 2 May 2019) was presented to the Finance and Governance Committee at its meeting on 6 June 2019 and was noted and approved by the Council at its meeting on 19 June 2019 (Minute 9.4 refers).

6.7 The End-of-Year Internal Audit Report had recommended that the Council's Financial Regulations should be reviewed during the 2019/20 year to ensure that all references to Internet Banking arrangements and the use of Petty Cash facilities are up-to-date and accurately reflect (a) the emphasis now being placed on electronic payments and (b) the financial and management controls that are to be exercised. As noted at item 2.2 above, the Clerk/RFO is due to present revised Financial Regulations to the Finance and Governance Committee on 7 November 2019.

6.8 The previous Internal Audit Report had also recommended that the Council should review the security issues arising from the use of the Clerk/RFO's office as a fire escape route and examine the options available to ensure that Council staff, assets and data are within a secure environment. This matter has since been overtaken by events as the Council will be leaving the current premises on 20 December 2019.

6.9 The Council formally appointed the Internal Auditor for the 2019/20 year at its meeting on 17 April 2019 (Minute 12.4 refers). The Internal Auditor was directed to undertake two internal audit reviews in the financial year, this Interim Audit Review and an End-of-Year Internal Audit Review in April 2020.

**7. Payroll Controls (PAYE and NIC in place; compliant with HMRC procedures; records relating to contracts of employment).**

7.1 The Council's Payroll Services are currently being operated by Guy McGregor and Associates (GM Accountants & Tax Consultants Ltd) - formerly 'Anglia Book-Keeping' - and operating as the affiliate practice of the company trading as Sword and Trowel Bookkeeping Limited of Crowland, Peterborough (with a local office at 2 Lambseth Street, Eye).

7.2 The service providers provide Payroll Services at a cost of £4.50 per payslip and £3.50 per pension transaction. The Clerk/RFO advised Internal Audit that the detailed operation of the payroll by the service providers continues to be carefully monitored.

7.3 It is not clear from the Council's records at what point the service provision changed from 'Anglia Book-Keeping' to 'Guy McGregor and Associates' and whether this is in name only or whether the change impacts upon the contractual relationship between the Council and the company acting as the service provider. This is of some significance, of course, as sensitive personal data is being held by the payroll service provider and the contractual relationship between the Council and the particular service provider and roles and responsibilities must be clearly identified in order that the Council is not placed in a vulnerable position in the event of a breach of personal data.

**Recommendation: The Council should examine its relationship with the current payroll service provider to identify if the contractual position has changed in any way and to ensure that the Council's position is protected in the event of a breach of sensitive personal data by the new payroll provider.**

7.4 The Clerk/RFO provided the Internal Auditor with the details of the procedure for calculating salaries and wages. A document detailing the current salary points and employment arrangements in place is maintained and acts as the basis for a Spreadsheet which calculates basic monthly salary payments and any overtime payments.

7.5 The Spreadsheet data is submitted to Guy McGregor and Associates, which undertakes all necessary calculations for PAYE, NI contributions and pension contributions. Guy McGregor and Associates, in turn, then e-mails to the Council (with a copy to individual members of staff, as appropriate) an electronic copy of payslips and details of payments to be made (viz. net salary payments and the amounts due to HMRC) from which the Payments List is prepared. Electronic payments to staff are then made, in accordance with the approved procedure for accounts payable. The payments to staff by bank transfer are approved at each meeting of the Council.

7.6 At its meeting on 3 October 2019 the Finance and Governance Committee noted that an increment was due to the Clerk/RFO and the Project Officer (with effect from 1 September 2019) in accordance with the salary reviews undertaken by the Council at the meetings held on 19 September 2018 (relating to the Clerk/RFO's salary) and



on 16 January 2019 (relating to the Project Officer's salary, the scale and point of which was to be in line with the Clerk/RFO).

7.7 The Internal Auditor undertook test checks on the salary payments being made as at September 2019 (and which reflected the increments referred to at item 7.6 above) and these were found to be in order.

7.8 The Clerk/RFO confirmed that the required Re-Declaration to the Pensions Regulator was completed on 6 August 2019 by the Payroll Services Provider.

7.9 The Council demonstrates good practice by supporting the training and development of Councillors and Council staff; the Clerk/RFO's training for the CiLCA qualification is being funded from the 2019/20 Budget.

## **8. Petty Cash and Business Debit Card (*Associated books and established systems in place*).**

8.1 A Petty Cash system is in use, with transactions supported by receipts/vouchers. The Internal Auditor checked the operation of the Petty Cash system and found it to be operating satisfactorily. The cash balance of £111.56 recorded in the system at the date of the Internal Audit (23 October 2019) was being held securely by the Clerk/RFO and the amount was confirmed as correct by the Internal Auditor.

8.2 At its meeting on 19 December 2018 the Council noted that since the closure of the Eye Branch of the Council's Bank the Clerk/RFO has been making monthly visits to the Diss Branch to process cash/cheques received and make cash withdrawals for Petty Cash purposes. The Council agreed to open a Business Debit Card, to be operated by the Clerk/RFO, to facilitate the periodic withdrawal of cash from an Automated Teller Machine to top-up the Petty Cash Account. However, the Clerk/RFO confirmed that the setting-up of a Business Debit Card is not being pursued as it is not a viable solution; it is anticipated that a cheque will be drawn when the Petty Cash Account requires to be replenished.

## **9. Income Controls (*regarding sums received from Precept, Grants, Loans and other income including credit control mechanisms*).**

9.1 The procedures in place for the receipt and recording of income were reviewed with the Clerk/RFO and it was confirmed that there is a clear audit trail from the income recorded in the bank paying-in book to the Scribe accounting system. The Clerk/RFO is continuing to encourage debtors to pay directly into the Council's bank account in order to reduce the administration and costs associated with the handling of cheques and cash. However, some cash and cheques are still being received from some Hall hirers and also from some allotment holders on renewal of agreements in October each year.

9.2 The charges relating to the hiring of the Town Hall increased from 1 April 2019 following the completion of the refurbishment of the Town Hall (the report to the Council on 17 April 2019, Minute 7 refers). Similarly, at its meeting on 17 July 2019,

the Council agreed to an increase in placing large banners on the Town Hall (Minute 5 refers).

9.3 With regard to other Fees and Charges being applied in 2019/20, at its meeting on 5 March 2019 the Environment Committee reviewed and agreed to increase the cemetery and memorial fees, to be applied from 1 April 2019 (Minute 4 refers). The Committee's proposals were approved by the Council at its meeting on 20 March 2019 (Minute 8.1 refers). Allotment fees have remained unchanged other than an increase in deposits required from allotment holders, as approved by the Council at its meeting on 18 July 2018.

9.4 A List of Overdue Accounts as at 23 October 2019 from the Scribe system was examined by the Internal Auditor. This revealed that only four invoices were significantly overdue, totalling £417.50, all of which had been examined and were being followed up by the Clerk/RFO.

**10. Internal Control and the Management of Risk (*Review by the Council of the effectiveness of internal controls, including risk assessment, and Minuted accordingly*).**

10.1 The Council's Risk Management Policy was reviewed by the Finance and Governance Committee at its meeting on 10 January 2019 and formally adopted by the Council at its meeting on 16 January 2019 (Minute 10.2 refers).

10.2 Similarly, the Risk Register was reviewed by the Finance and Governance Committee at its meeting on 7 February 2019 and formally adopted by the Council at its meeting on 19 February 2019 (Minute 10.2 refers).

10.3 At the meeting held on 20 March 2019 the Council considered and approved the Internal Control Statement (Minute 9.1 refers) following the recommendation put forward by the Finance and Governance Committee on 7 March 2019 (Minute 7 refers).

10.4 The Clerk/RFO advised the Internal Auditor that the next overall review of the Internal Control and Risk Assessment documentation by the Council is programmed to take place before 31 March 2020. This will ensure compliance with the Accounts and Audit Regulations 2015 which require a review by the Full Council at least once each financial year of the effectiveness of the Council's system of internal control, including the arrangements for the management of risk, with the review suitably Minuted.

10.5 Individual Risk Assessments are due to be considered by Committees during November and December 2019, prior to the formal presentation of the documents to the Full Council.

10.6 Insurance is in place for the period 1 June 2019 to 31 May 2020. The Clerk/RFO confirmed that she had examined the policy requirements and compared the cover with the Asset Register in order to ensure that all assets have appropriate cover and

in order to present up-dated schedules to Councillors prior to the insurance renewal date.

10.7 The insurance schedule for 2019/20 was presented to the Finance and Governance Committee on 2 May 2019 and the Committee agreed the insurance renewal schedule and premium due (Minute 8 refers). The Council accepted the policy proposal presented by WPS Insurance Brokers at its meeting on 15 May 2019 and approved the renewal payment of £5,041.04 at the meeting held on 19 June 2019. The insurance cover is held with Aviva Insurance and includes Public Liability cover for £10m. The Fidelity Guarantee (Employee and Councillor Dishonesty) cover stands at £250,000 which meets the current guidelines and ensures that all sums in the Council's bank accounts and cash holdings have appropriate insurance cover.

10.8 At its meeting on 17 July 2019 the Council considered and agreed the proposal from the Finance and Governance Committee of additional cover for cyber and commercial insurance; the payment of £305 was approved at the meeting on 18 September 2019. The Clerk/RFO confirmed that details of this insurance cover will be included in the revised Risk Assessments to be completed later this year.

**11. Assets Controls (*Inspection of asset register and checks on existence of assets; recording of fixed asset valuations; cross checking on insurance cover*).**

11.1 A detailed Asset Register is in place and is supported by the Scribe system, each asset having been input into the accounting system. The Register displayed a total cost value of £129,863.54 as at 10 October 2019. This reflects the replacement of a laptop computer during the 2019/20 year. The insurance value is recorded as £1,464,687.54.

11.2 The Register complies with current requirements which provide that each asset should be recorded on a consistent basis, year-on-year. For Audit and End-of-Year Return (AGAR) purposes, the Register displays values at original purchase cost or, where the original purchase price is unknown, at a nominal (community) value of £1.

11.3 The Clerk/RFO confirmed that the Asset Register is due to be presented to the Council for consideration and approval prior to the year-end date of 31 March 2020.

11.4 The Council maintains an Assets of Community Value document (listing assets upon which the Council has first option to purchase should the assets enter the sale market). The document was approved and adopted by the Council at its meeting on 21 November 2018 (Minute 11.5 refers).

**12. External Audit (*Recommendations put forward or comments made following the annual review*).**

12.1 The External Audit Report by PKF Littlejohn LLP for the year 2018/19 was reported to the Council at its meeting on 18 September 2019 (Minute 14.5 refers). The External Auditors raised no matters of concern and no qualifications were issued

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to the audit opinion. The External Audit Certificate (Part 3 of the Annual Governance and Accountability Return) has been published on the Council's website.

**13. Additional Comments.**

13.1 I would like to record my appreciation to Mrs Wendy Alcock, the Clerk/RFO, for her assistance during the course of this Interim Internal Audit Review work.

13.2 The End-of-Year Internal Audit Review has been provisionally arranged with the Clerk/RFO to commence on Wednesday 29 April 2020.

*Trevor Brown*

**Trevor Brown, FCPFA**

**Internal Auditor**

**26 October 2019**