## **Annual Internal Audit Report 2019/20**

#### Tring Town Council

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2020.

The internal audit for 2019/20 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		the follo	se choose owing
	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	V		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	V	Section 1	
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	V		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	V	Transfer of the second	
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	V		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	V		
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.	V	general VI dish menangkan selepah pendapah di	
H. Asset and investments registers were complete and accurate and properly maintained.	V		
Periodic and year-end bank account reconciliations were properly carried out.	~		
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 2018/19, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")			V
L. The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.		control of the contro	~
M. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			V

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

Name of person who carried out the internal audit

19/06/2019 22/10/2019

Kevin Rose ACMA - IAC Audit & Consultancy Ltd

Signature of person who carried out the internal audit

Date

25/05/2020

\*If the response is 'no' you must include a note to 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 2019/20

We acknowledge as the members of:

#### TRING 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 2020, that:

	Agreed				
Final Adams of the Action Schools	Yes	No*	'Yes' m	neans that this authority:	
We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	1			ed its accounting statements in accordance e Accounts and Audit Regulations.	
We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	1		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.	1		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.	1		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.	1		considered and documented the financial and other risks it faces and dealt with them properly.		
We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	1		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.	1	ne de la companya de	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.		
(For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability	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.	
responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.		efete ( ) S is a second	1		

<sup>\*</sup>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:

22/06/2020

and recorded as minute reference:

20123

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

Chairman A

Clerk

Other information required by the Transparency Codes (not part of Annual Governance Statement) Authority web address

WWW.TRING.GOV.UK

## Section 2 - Accounting Statements 2019/20 for

#### TRING TOWN COUNCIL

	Year e	nding	Notes and guidance
	31 March 2019 £	31 March 2020 £	Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.
Balances brought forward	314,557	358,136	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	130,874	134,524	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	148,410	Total income or receipts as recorded in the cashb the precept or rates/levies received (line 2). Inclu- grants received.	
4. (-) Staff costs	128,272	133,352	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	13,487	13,487	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	93,945	126,633	Total expenditure or payments as recorded in the cash- book less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	358,136	446,551	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	331,884	431,309	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	1,798,118	1,798,118	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	69,280	59,097	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).
11. (For Local Councils Only) D re Trust funds (including char		Yes No	The Council, as a body corporate, acts as sole trustee for and is responsible for managing Trust funds or assets.
		1	N.B. The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2020 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

Date

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

22/06/2020

as recorded in minute reference:

20124

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

#### Section 3 – External Auditor Report and Certificate 2019/20

In respect of

TRING TOWN COUNCIL - HT0110

### 1 Respective responsibilities of the body and the auditor

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2020; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

Our responsibility is to review Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with guidance issued by the National Audit Office (NAO) on behalf of the Comptroller and Auditor General (see note below). Our work **does not** constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and **does not** provide the same level of assurance that such an audit would do.

2 External auditor report 2019/20
On the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern tha relevant legislation and regulatory requirements have not been met.

Other matters not affecting our opinion which we draw to the attention of the authority:
None.
3 External auditor certificate 2019/20

We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2020.

External Auditor Name			
	PKF LITTLEJOHN LLP		
External Auditor Signature	Phr bitlepen we	Date	07/10/2020
Epimodiyat mitamakana			

\* Note: the NAO issued guidance applicable to external auditors' work on limited assurance reviews for 2019/20 in Auditor Guidance Note AGN/02. The AGN is available from the NAO website (www.nao.org.uk)

## Tring Town Council 2019-20

## Bank - Cash and Investment Reconciliation as at 31 March 2020

Confirmed B	ank & Investment Balances		
Bank Statement Balances			
31/03/2020	Business Reserve	359,511.24	
31/03/2020	Current Account	500.00	
31/03/2020	Bonus Saver	1,132.87	
31/03/2020	CCLA Account	81,702.60	
31/03/2020	Petty Cash	96.60	
			442,943.31
Other Cash & Bank Balances			
		*	
			0.00
			442,943.31
<u>Unpresented Payments</u>			
			11,634.74
		-	431,308.57
Receipts not on Bank Statemen	<u>t</u>		
			500.00
Closing Balance		-	431,808.57
All Cash & Bank Accounts		-	,
1	Current Bank Accounts		348,876.50
2	Bonus Saver Account		1,132.87
3	Investment Account		81,702.60
4	Petty Cash		96.60
5	Liasion FS Rent Deposit		0.00
	Other Cash & Bank Balances		0.00
	Total Cash & Bank Balances	_	431,808.57

## Tring Town Council 2019-20

# Supporting Reserves Reconciliation for ANNUAL RETURN 31 March 2020

Explains the difference between boxes 7 & 8 on the Annual Return

Code	Description	<u>Last Year £</u>	This Year £
	Total Reserves	358,136.19	447,050.67
100	Debtors	9,669.58	11,451.00
102	CIL Debtor	20,180.84	10,158.24
105	VAT Control Account	584.67	0.00
	Less Total Debtors	30,435.09	21,609.24
105	VAT Control Account	0.00	1,159.61
500	Creditors	1,409.71	2,407.11
516	Outstanding Tax & NI	1,642.10	1,669.82
550	Museum Rent Deposit	1,130.60	1,130.60
	Plus Total Creditors	4,182.41	6,367.14
Equ	uals Total Cash and Bank Accounts	331,883.51	431,808.57
200	Current Bank Accounts	249,646.93	348,876.50
210	Bonus Saver Account	1,130.60	1,132.87
220	Investment Account	81,103.45	81,702.60
250	Petty Cash	2.53	96.60
	Total Cash and Bank Accounts	331,883.51	431,808.57

The state of the Ack in all Blank hybridized between the form state in the state of the Ack in all Blank hybridized between the form state in the state of the Ack in all Blank hybridized between the form state in the state of the Ack in all Blank hybridized between the form state of the Ack in all Blank h	All consists of species in type Leukov bases con figures input.  Explanation from smaller authority fmust include narrative and supporting figures)  Explanation of % saturated least roll agrees query  This.
Explanation   Required?	
Explanation   Explanation   Required	
2018179 201922 Vorinnes Vorinnes Espaination Espainati	
14445  14454  3.650   2.79%   0   1   0   NO	d - Edutine a frought forward deterand Jahanson mad
19424	
134/12   133/24   139/23   53/20%   0   1   1   VES     134/12   133/24   5.000   3-96%   0   1   1   VES     134/12   134/22   0.000   3-1/70%   0   1   1   VES     134/12   444/55   132.088   3-1/70%   0   1   1   VES     134/12   444/55   132.088   3-1/70%   0   1   1   VES     134/14   444/55   132.088   3-1/70%   0   1   1   VES     134/14   444/15   VES     134/14   444	
134222   133424   5,000   3,56%   0   1   0   NO     13442   15,445   0   0   0   0   0   0   NO     13442   15,645   2,569   3,479%   0   1   1   YES     13542   1	
13447 13447 0 0.00% 0 0 0 0 NO	
138-137	
138-177 - 446-551 337-84 - 631-308	
337,884 431,309	WENDARE BY AND REQUIRED ON RECEIVED. TO A WAY THE WAY TO A WAY THE REVENUE OF BELLEY. THE WAY THE WOOD RECEIVED THE WAY THE WAY THE REVENUE AND BELLEY. THE WAY THE REVENUE AND BELLEY.
	TOBE EXPLANATION NOT REQUIRED
9 Total Fixed Assets plus Other Long Term Investments and Ass 1728,111 1778,111 0 0,00% 0 0 0 0 NO	
10 Total Borrowings 69,280 100,00% 1 YES	
Rounding errors of up to £2 are tolerable	
Variances of 2200 or less are tolerable	

<b>Box 3</b>	Box 3 Total Other Receipts	2018/19	2019/20	Variance	Variance
		43	43	<del>ય</del> ર	9/6
		148,410	227,363	78,953	53.20%
		***************************************		***********	
Figures	Š				
			2018/19	2019/20	Variance
	i) CIL receipts		£ 30,033	£ 73,134	£ 43,101
:¤]	ii) Income Old School Yard car park		£ 18,990	£ 30,712	£ 11,722
iii	iii) Grant - Nora Grace Hall		۱ ع	£ 27,653	£ 27,653
					destates communications of the production of the
				Total	£ 82,476
		***************************************			deren el d'annonnomment des deservats de la company de
Narrative	tive		THE THE PARTY OF T		
1	i) The Council benefited from a large residential development so that the CIL receipts for just the first half of	that the CIL re	ceipts for ju	st the first ha	fof
	2019/20 amounted to £62,975				
ij				THE THE PROPERTY OF THE PROPER	and the state of t
	The Old School Yard car park is owned by the Town Council and District Council is contracted to manage it on	d District Cou	incil is cont	racted to mar	age it on
	the Town Council's behalf. This includes collecting the parking fees, which the District Council transfers the fees	fees, which th	e District Co	ouncil transfe	rs the fees
	to the Town Council on a quarterly basis. Two years ago new ticket machines that accepted credit card payments	cket machines	that accepte	ed credit card	payments
	were installed, but the District Council did not update their accounting procedures and failed to transfer the	unting proced	ures and fail	ed to transfer	the
	parking fees paid by credit card to the Town Council. This was discovered and the arrears paid in 2019/20	discovered an	d the arrears	paid in 2019	/20
iii	iii) A grant of £27,653 was obtained for the installation of retractable seating in the Nora Grace Hall, a community	le seating in th	ne Nora Grac	e Hall, a con	1 min in it.
	hall owned by the Town Council	)			

<b>Box</b> 6	Box 6 All Other Payments	2018/19	2019/20	Variance	Variance
		#3	3	<b>4</b>	%
		93,945	126,633	32,688	34.79%
				***************************************	
Figures			***************************************	direcommon commune consequence de la commune	one executive and a second construction of the s
			2018/19	2019/20	Variance
i)	i) Installation of tiered seating in the Nora Grace Hall		- 3°	£ 27,653	£ 27,653
(ii	ii) Old School Yard car park management fee		£ 8,760	£ 13,878	£ 5,118
			***************************************		
				Total	£ 32,771
Narrative	IVe			***********	
j)	A grant of £27,653 was obtained for the installation of retractable seating in the Nora Grace Hall, a community hall owned by the Town Council	seating in th	ne Nora Grae	e Hall, a con	ımunity
ii)	Old School Vard car nort is managed on hahalf of the Town Commen	***************************************	***************************************		
	is based on a formula using the proportion of penalty notices issued in Old School Yard as a nercentage of all the	cii be the Di d in Old Scl	Istrict Counc hool Yard as	il. The mans	igement fee
	penalty notices issued across the all car parks managed by the District Council. This is used because it not	trict Counci	l. This is us	ed because it	not
	possible for the District Council to identify the actual cost of managing a particular car park. The percentage, and	iging a parti	cular car pa	rk. The perce	intage, and
	therefore the cost, fluctuates more since the installation of new ticket machines and was high throughout most of	ket machine	s and was hi	igh throughou	it most of
	2019/20.				

Explanation for 'high' reserves			
(Please complete the highlighted boxes.)		2000	
Box 7 is more than twice Box 2 because the authority	held the following bre	akdown of rese	erves at the year e
	***************************************		
	£	£	£
Earmarked reserves:			100000000000000000000000000000000000000
Tenant Rent Deposits	2	,708	
Election Expenses	3	<mark>,768</mark>	energia de la companya de la company
Marketing Council properties	7	<mark>,093</mark>	
Nora Grace Hall Sinking Fund	9	<mark>,808</mark>	and the second
Town Plan Funding	4	<mark>,639</mark>	
Project Market House Works	14	,400	
Project Market Place Car Park	6	<mark>,689</mark>	
Contingency reserve*	43,	,556	
CIL	142	,675	
		235,33	36
General reserve	211,	,215	
		211,21	.5
Total reserves (must agree to Box 7)			446,551
		***************************************	

<sup>\*</sup> Because the Council owns property, including a listed building, and a high proportion of its total income comes from this rather than the precept (The precept in 2019-20 was only 37% of the Council's total income) the Council reserves policy includes a contingency reserve - a reserve to cushion the impact of unexpected events, including loss of income from the Council's assets (non-precept income) equivalent to two month's total income.

There is a high probability that the Council will have to call upon this reserve because of the coronavirus pandemic in 2020-21 to cover loss of rental income. Without the contingency reserve the ratio general reserve to precept will be 189%.

The Council has approproved the purchase in 2020/21 of a van for its ground staff from general reserves. This will cost £12,979. The Counil has set a balanced budget for 2020/21 and the precept at £144,683. This will generate a general reserve-precept ratio of 137%

		<u>2019/20</u>	2020/21	
	General Reserve	211,215	198,236	
	Precept	134,524	144,683	<i>пете</i>
and the second s	General Reserve as percentage of precept	157%	137%	