

Faversham Town Council

Year-end Internal Audit Report for the year ended 31 March 2017

I have completed the year-end internal audit of the Council's records for the year ended 31st March 2017 and signed off the Annual Return (Annual Internal Audit Report) on 12 May 2017.

Members should be aware that my work cannot be relied upon to identify the occasional omission or insignificant error, nor do I actively seek evidence of breaches of trust or statute, neglect or fraud, which may have taken place. It is the responsibility of the Members of the Council to guard against such events, but if during the course of my audit testing such events are discovered I am duty bound to disclose such events to the Council.

I would like to take this opportunity to thank the Town Clerk, Louise Bareham and Finance Assistant, Katie Stringer for their assistance given to me leading up to the audit and during the audit itself.

Previous Audits:

Interim Internal Audit 2016-17

The interim audit highlighted the move to internet banking via Lloyds Bank and purchase of 12 Market Street and its eventual development into a museum on the ground floor and offices/meeting rooms on the upper floor. The content of the Council's website had been enhanced with inclusion of various "policy & procedural documents and financial information. The report was considered by the Policy & Finance Committee in February 2017.

Year-end Internal Audit 2016-17:

This audit visit concentrated on the year-end accounts and supporting documents for the completion of the Annual Return such as the Asset Register and Bank Reconciliation. I also carried out some randomly selected tests on payments made during the last few months of the financial year. Following my visit there are some observations I wish to bring to Members' attention.

Findings

Council's Website:

By the time Members get to see this Report the Annual Return for 31 March 2017, will have been approved by the Town Council and the Town Clerk will have placed the "unaudited" Annual Return for 2016-17 on the website, in accordance with the new regulations that came in last year. This complements the hard copy of the Annual return placed on the Council's noticeboards as part of the 30-day public inspection period.

Asset Register:

The Town Clerk had intended to update the Asset Register in time for the Annual Return. In the light of the pending works to create a new museum and the intention to bring together Council owned artefacts and other items to exhibit it has been decided to defer this matter for 12 months by which time the museum will have taken shape. The intention is to have the artefacts professionally catalogued and valued, which may result in restoration

works for some of the items and a revised value for insurance purposes. The Council's insurers should be kept informed on the progress to establish the museum and office move.

The Town Clerk will establish a digital library of the Council's assets as part of the Asset Register review. The Town Clerk has been liaising with Folkestone Town Council since the project was first discussed last year. Folkestone TC have just opened their new Heritage and Museum Centre and had valuations done on their artefacts (which included photos) and have experienced the setting up and opening of a local museum.

Budgetary Control and Bookkeeping:

As mentioned in the accompanying Audit Findings notes the bookkeeping and accounts of the Council are very good shape. The RBS accounts system produces reports to replicate the summarised accounts are in Section 2 of the Annual Return. As part of the audit I checked the supporting papers to be sent with the Annual Return to PKF Littlejohn, these included the year-end bank reconciliation and the variations schedules. The bank balances totalled £755,685, the updated Asset Register had a value of £2,965,520 and the PWLB loan debt outstanding as at 31 March 2017 was £1,096,953.

Corporate Governance

The corporate governance arrangements in place are good.



David J Buckett CPFA DMS

4 June 2017