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RAMSBURY
MARLBOROUGH
SN8 2QE*

The Chairman
Ramsbury and Axford Parish Council
The Memorial Hall
Ramsbury
Marlbrough, SN8 2PB

15th May 2021

Dear Madam

Internal Audit Report

I completed and signed the Annual Internal Audit Report 2020/21 on 14th May 2021, this being page 3 of 6 in your Annual and Accountability Return (AGAR). To enable me to sign this report I carried out the checks set out in the AGAR guidance schedules headed:

Check Sheet – Specific checks to fulfil the Internal Audit:

Procedural checks
Year- end checks

I confirm that the procedural checks on the transactions during the year did not disclose any departures from your internal controls, instructions and procedures. Indeed, and once again, the accounting records, and supporting documents including minutes, were very accurately and properly maintained.

Similarly the annual financial accounts prepared for your management purposes and in the AGAR (summarized format) for the year ended 31st March 2021 were accurately prepared and fully in accordance with the underlining accounting records. My checks did not disclose any errors.

I would however mention two minor matters which came to my attention during my review:

- a) The insurance cover includes circa £65,000 for material damage to buildings and contents. This cover seems to be based on the original costs of the toilet block and contents, and not to be their current re-instatement cost. Inflation since they were acquired is likely to have made their re-instatement cost of the toilet block 30% to 50% higher than its original cost and therefore I believe its insurance value needs to be re-appraised.
- b) I find the quarterly and annual Profit & Loss Budget vs. Actual statements confusing in that, while the individual income and expenditure item comparisons are fine, the

total result, headed 'profit for the quarter/year', compares the actual results of the period to a budget of the total of the expected results for the period and the opening bank balance. Meaning the total profit figure of the difference between actual and budget is not a meaningful figure, as it compares actual results for the year with expected results which include the opening bank balance. I suggest this report is amended to either exclude the opening bank balance from the budgeted figure, or is preferred, to include the opening bank balance in the actual figures for the period. If the latter option is chosen, the final result should be described as being the closing bank balance and not the profit for the period.

Please let me know if you have any queries regarding this report, and I would add that I am again greatly impressed by the diligent way that the Clerk and the members of your Council carry out their functions regarding the financial affairs of the Council.

Yours faithfully

Neil G Keen