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Ms Christine Downey, Clerk to Bentham Town Council Bentham Town Hall Station Road High Bentham Lancaster LA2 7LH

Dear Ms Downey

To the Members of Bentham Town Council Internal Audit of Accounts for the Financial Year ending 31 March 2021

I am pleased to inform you that the internal audit is complete. Appropriate tests and checks were carried out on the accounts and management arrangements to confirm that the systems of financial and other controls over the council's activities and operating procedures continue to be effective. Unfortunately, no visit to the council was possible again due to the continuing effect of the pandemic on work and travel arrangements, therefore the audit has been carried out online and by discussion with the clerk. Following that I can confirm that internal controls are operating as expected and there are no matters to give cause for concern. Action taken and any outstanding action on the matters raised in my previous report is discussed in the paragraphs below. There are no new matters to bring to members attention. The Annual Internal Auditors Report contained within the Annual Governance and Accountability Return 2020/21 has been completed as required.

Asset Register

The council has a comprehensive asset register containing its material assets. However, I noted last year that the contents of the Town Hall were included as one item valued at £35,000 and there was no analysis of this figure identifying assets held. The clerk was at that time undertaking a review of all council assets and is currently in the process of compiling an inventory of Town Hall contents. When this is completed, the council may wish to consider setting a minimum value for inclusion of assets in the register. In addition, the register has now been updated for previously unrecorded assets. The need for insurance should also be considered as it may be uneconomic to insure all assets dependant on their value.

Fidelity Guarantee Insurance

The level of fidelity guarantee insurance held by the council in 2019/20 was $\pounds 100,000$. Balances held at 31 March 2020 were around $\pounds 76,000$. Using the generally applied criteria of balances at the 31^{st} March plus half the precept an adequate level of cover should have been around $\pounds 130,000$ as a minimum. The council therefore in my opinion were potentially underinsured and I recommended that they consider increasing the level of cover on renewal or earlier if thought necessary.

The cover remained at £100,000 for 2020/21 and the latest information suggests that a minimum level of cover should be around £140,000. I understand that the council are to consider this at their July meeting.

Audit Arrangements

Following last year's audit, I suggested that the council consider an additional day's audit for each year given the size and activity of this council and the pandemic situation preventing an actual visit last summer. Although it is for councils to determine the size and scope of the audit, its function is to review and test the continued existence and operation of controls throughout the year, not only at the year end. In addition, the continuing pandemic has meant that an actual visit was again not possible this year.

I note that the council decided that an additional visit was not required. My original opinion is unaltered.

I would like to thank the clerk for her assistance during the audit.

Yours sincerely

garet L. Someth

JL Bennett 25 June 2021

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