

YORKSHIRE INTERNAL AUDIT SERVICES



Mr Colin Hill,  
Clerk to Todmorden Town Council  
Town Clerk's Office  
Todmorden Community College,  
Burnley Road,  
Todmorden  
OL14 7BX

Dear Mr Hill

**To the Members of Todmorden Town Council  
Internal Audit of Accounts for the Financial Year ending 31 March 2020**

I am pleased to inform you that the internal audit for 2019/20 is complete. Appropriate tests and checks were carried out on the accounts and internal controls to confirm that the systems of financial and other controls over the council's activities and operating procedures are effective. Updated governance and policy documents introduced by the new clerk appointed during the year were also reviewed. Unfortunately, no visit to the council was possible this year as the timing of the audit coincided with changed working and travel arrangements due to the pandemic, 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. There are two matters to bring to the attention of members and these are discussed in the paragraphs below. The Annual Internal Auditors Report contained within the Annual Governance and Accountability Return 2019/20 has been completed as required.

Grant Payments

During my review of the council's grant payments I noticed as part of the total an amount paid described as being for education. The council have made these payments quoting their powers under s137 of the Local Government Act 1972. Councils may only incur expenditure where they have the power to do so, derived under various pieces of legislation. S137 of the Local Government Act 1972 allows local councils to incur expenditure for the benefit of the area or some or all of its inhabitants but not to individuals.

I understand that these particular payments were made to two trusts who make grants to individual students for books to help further their education. It is my opinion that these payments do not fulfil the requirements of s137.

The Localism Act 2011 gives the power for an eligible council to do anything subject to statutory prohibitions, restrictions and limitations that an individual may generally do without the need to demonstrate that it will benefit the authority, its area or persons resident or present in its area. Unfortunately, I understand that this council does not meet the criteria for the general power of competence.

In that case, I suggest no further payments are made or, if the council wish to continue, any future payments may be made out of the Mayor's allowance.

#### 2020/21 Internal Audit Arrangements

The internal audit process is an ongoing function, undertaken regularly throughout the financial year, to test the continuing existence and adequacy of the authority's internal controls resulting in an annual assurance report to members designed to improve the effectiveness and efficiency of the activities and operating procedures of the council. It is not solely to agree the year end accounts but to test and report to the council on whether its specific system of internal control is adequate and working satisfactorily.

Although it is for the council to determine the size and scope of the audit I believe that the size and circumstances of this council requires an interim audit visit during the financial year in addition to the year end visit as I believe it has had in previous years and I recommend to the council that this is reintroduced.

I would like to thank the clerk for his assistance during the audit particularly in these difficult times.

Yours sincerely

JL Bennett  
April 2020

PARTNERS ~ KC Stephenson [REDACTED]  
RF Entwistle [REDACTED]  
PRINCIPAL AUDITOR ~ Mrs JL Bennett [REDACTED]