



Carl Hearn
Town Clerk
Tavistock Town Council
Council Offices
Drake Road
Tavistock
PL19 0AU

2nd February 2024

Dear Carl,

Interim Audit Cover Letter

An audit was carried out by Kevin Rose on Thursday 18 January 2024. This was the interim internal audit, part of the annual internal audit coverage of the Council. Prior to the audit a 'Pre-Audit' was carried out remotely which tested items which are required to be published on the Council's website.

The audit was undertaken using the standard IAC Audit Checklist, that we use for all Local Councils, which has 204 items. A total of 121 items were tested during this audit, including items that were examined and tested as part of the pre-audit process. The balance of 83 items will be checked during the Year End audit.

The following 'Internal Control Objectives' of the Annual Internal Audit Report (part of the AGAR) were checked and confirmed as being Not Applicable to your Council for this financial year.

- Exemption from External Audit (Box K)
- the Transparency Code (for Smaller Authorities) (Box L)
- Trust Funds (Box O)

Areas subject to audit were;

- the Accounting system and records (Box A)
- the Payment system (Box B)
- Risk and insurance (Box C)
- Budget and precept setting and monitoring (Box D)
- Income billing, collection and VAT (Box E)
- Petty cash (Box F)
- Bank reconciliations (Box I)
- Accounting Statements (Box J)
- the Exercise of Public Rights (Box M)
- the Publication of the Annual Governance and Accountability Return (Box N)

Of the 102 applicable items tested a Positive response was obtained in respect of 98 tests. There were 4 Negative responses identified and 8 Observations were made, details of which are set out in the attached Interim Internal Audit Observations.

Summary of tests undertaken during this audit

Positive response	98
Negative response	4
Not Applicable to your Council	19
Total tests carried out	121

I am pleased to advise that no 'Non-Compliances' were identified at this stage that would give rise to a negative response on the statutory Annual Internal Audit Report.

I would like to express my thanks for the assistance provided to me during my audit.

Yours sincerely,



Kevin Rose ACMA
Director

Interim audit summary Tavistock Town Council
(Guided Internal Control Objectives are not applicable to your Council)



Internal Control Objective	Interim Audit Date			Observations	Non-Compliance
	N/A	Tested	Positive		
Box A Appropriate accounting records have been properly kept throughout the financial year.		6	6	0	1
Box B This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.		33	33	0	1
Box C This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	1	7	7	0	0
Box D The precept or rates requirements resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	1	16	14	2	2
Box E Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.		10	9	1	2
Box F Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.		9	9	0	1
Box G Salaries to employees and allowances to members were paid in accordance with this authority's approval, and PAYE and NI requirements were properly applied.		0	0	0	0
Box H Asset and investments registers were complete and accurate and properly maintained.		0	0	0	0
Box I Periodic bank account reconciliations were properly carried out during the year.		7	6	1	1
Box J Accounting statements prepared during the year were prepared on the basis of supporting receipts and invoices, and supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.		2	2	0	0
Box K If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered".	3	N/A	N/A	N/A	N/A
Box L The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	7	N/A	N/A	N/A	N/A
Box M The authority, during the previous year (2022/23) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).		5	5	0	0
Box N The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Guidance Notes).		7	7	0	0
Box O (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	7	N/A	N/A	N/A	N/A
Totals	19	102	98	4	8

Tavistock Town Council
Financial Year 2023-24

Interim Internal Audit Observations



IAC Audit and Consultancy Ltd

Audit date: 18 January 2024

A *Appropriate accounting records have been properly kept throughout the financial year.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Accounting system opening balances agree to prior year Annual Return	Yes	<i>There is a £312 difference between the total Reserves value in Omega and the Box 7 value in the 2022/23 Accounting Statements. This is a not a significant difference given the size of the Councils Reserves but, as a matter a principle the numbers in the AGAR Accounting Statements should agree to the Councils accounting records.</i>	Council to review the accounting system opening balances and agree them to the prior years Accounting Statements.	Medium	<i>Agreed to be passed to Council's Accountant for Year End</i>

B *This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Have tenders been obtained as set out in Financial Regulations?	Yes	<i>The Council has undertaken works on three major capital projects during the year, Town Hall Fabric Repairs, River Wall and Museum Repairs. At the date of the Interim Audit Council has not formally reviewed and confirmed the Final Account values of these projects (its is understood that the Town Hall works are not yet completed.)</i>	On completion of the projects the final contract value (including original agreed contract sum and variations) to be formally reported to, and approved by, Council. A copy of the relevant Minute to be provided to the Internal Auditor.	High	<i>Variations to these budgets have been agreed as they arise. Final contract values to be submitted to Council, following completion, in the interests of completeness.</i>

D *The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The Council has reviewed any points raised by the External Auditor as required	No	<i>As at the date of the Interim Audit the Council have not formally noted the receipt of the report of the External Auditor. (There were no matters raised in the External Auditors report)</i>	The Council to ensure that, on an annual basis, it formally records a review of the External Auditors report in the Minutes of the relevant meeting.	Medium	<i>Agreed, submitted to Council 06.02.24</i>

2	Does the budget recorded in the Councils accounting system agree to the budget set by Council?	No	<p><i>It was noted that the budget values and actual income expenditure reported in the monthly finance report to Council do not agree to either the budget and expenditure on the Omega accounting system or the budget set by Council in January 2023.</i></p> <p><i>It was noted that the expenditure reported to Council excludes capital expenditure.</i></p>	<p>The Council to ensure that the budget values recorded in Omega, and reported in budget control reports, agree to the budget approved by Council, including any variations.</p> <p>The Council to ensure that budget reports submitted to Council include all the elements of income and expenditure, including those of a capital nature.</p>	High	<p><i>Agreed. Current arrangements reflects past practice of reporting Capital and Revenue spend discretely. Now combined as requested wef Feb.</i></p>
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E *Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Does the investment policy clearly show an awareness of investment risk being taken?	Yes	<p><i>The Councils investment policy sets a limit of 60% with any one institution, unless reported to Budget and Policy Committee. As at date of the interim internal audit 75% of the Councils funds were held with one institution.</i></p>	<p>The Council to formally review its compliance with investment policy. If necessary the Council to amend the policy, or change where it holds deposits, to ensure that policy and practice agree.</p>	High	<p><i>Agreed - policy to be considered for re-endorsement of variation or change as applicable</i></p>
2	Has the Investment Strategy been published on the Councils website?	No	<p><i>The Council has not published its Investment Strategy on the Councils website as required by the Statutory Guidance on Local Council Investments.</i></p>	<p>Council to ensure that its Investment Strategy is published on its website in accordance with statutory guidance.</p>	Medium	<p><i>Agreed. Current strategy is available on the website. In future it will be separately listed.</i></p>

F *Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Petty cash balances are regularly reconciled to cash in the petty cash tin.	Yes	<p><i>Petty cash reimbursements have been made regularly and include a certification that the total value agrees to the approved value. At present there is no process for the value of the cash held to be verified.</i></p>	<p>The Council should amend the process for the reclaim of Petty Cash to include a certification, by the Petty Cash holder, that they have checked and verified the cash balance held to the value stated on the reclaim.</p>	Medium	<p><i>Agreed. Practice note to be re-issued</i></p>

I *Periodic bank account reconciliations were properly carried out during the year.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Any cash floats are regularly reconciled to cash on hand (interim)	No	<p><i>Cash floats are not regularly reconciled to cash on hand.</i></p>	<p>Cash floats should be regularly checked (at least every quarter) and agreed to the value recorded in the Councils accounts</p>	Medium	<p><i>Agreed.</i></p>