

Tavistock Town Council

Internal Audit Summary 2021-22

Interim Audit Date: 09/12/2021
 Year End Audit Date 06/06/2022



Internal Control Objective	Negative Analysis					Responses				
	Non-Compliance	High	Medium	Low	Advisory	Positive	Negative	N/A	Not Checked	Recommendations
A	0	0	0	0	0	5	0	0	0	0
B	0	0	2	0	0	28	2	3	5	2
C	0	0	0	0	0	9	0	0	2	0
D	0	0	0	0	0	11	0	2	2	0
E	0	0	1	0	0	14	1	3	4	0
F	0	0	2	0	0	4	2	3	0	1
G	0	1	1	0	0	20	2	1	0	2
H	0	0	0	0	0	7	0	2	1	0
I	0	1	2	0	0	13	3	0	0	2
J	0	1	0	0	0	8	1	0	0	1
K	0	0	0	0	0	0	0	3	0	0
L	0	0	0	0	0	0	0	7	0	0

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

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

C - This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

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

E - Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

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

G - Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.

H - Asset and investments registers were complete and accurate and properly maintained.

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

J - Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.

K - If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")

L - If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/ webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.

Internal Control Objective		Negative Analysis				Responses			Recommendations		
		Non-Compliance	High	Medium	Low	Advisory	Positive	Negative		N/A	Not Checked
M	The authority, during the previous year (2020-21) 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).	0	1	0	0	0	4	1	0	0	1
N	The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).	0	0	0	0	0	7	0	1	0	0
O	(For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee	0	0	0	0	0	0	0	5	0	0

Total 0 4 8 0 0 0 130 12 30 14 9

Tavistock Town Council

Financial Year 2021-22



IAC Audit and Consultancy Ltd

Visit date: 6- June -2022

Year End Internal Audit Observations

G Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	The Council, or nominated committee, has reviewed and approved any changes to staff rates of pay, or terms of conditions, made during the financial year.	<i>The Council has a formal organisation chart, however there is no formal document which sets out the rates of pay / Spinal Column Point range associated with each of these positions.</i>	The Council to establish as formal organisation chart which sets out the salary ranges applicable to each position. This should be subject to review each year as part of the budget process.	Medium	An annotated and anonymised structure chart will be put in place. More generally this information is currently held in a more detailed form with all posts identified, grades, rates of pay and related costs etc which is reviewed annually and incorporated as part of the annual budget setting process. Note: the grading of posts is set through an independent job evaluation process.
2	The Council has in a place a process for the review and approval of overtime or Time In Lieu	<i>The Council does not have in a place a process for the review and approval of overtime or Time In Lieu.</i>	The Council to put in place a process for the formal review and approval of overtime. This should include a specific arrangement to confirm, in writing, whether overtime is to be paid or taken as time in lieu.	High	The Council identifies toll incurred on leave cards, overtime is subject to manager authorisation and budget and recorded through the payroll system. Arrangements will be put in hand for additional recording outside of payroll.

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

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Year End Cash balances have been subject to independent confirmation	<i>Year End Cash balances have not been subject to independent confirmation</i>	The Council should ensure that, in future, year end cash balances are subject to independent confirmation.	Medium	This refers to petty cash. It is good practice for Fund Holders to certify Funds under their control at each year end, this was also raised by DCK Beavers during their visit. Recommendation accepted in full

J Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Audit Extended Trial Balance agrees to draft Accounting Statements	<i>It was noted that the income value recorded in the Omega system did not agree to the Box 3 value stated in the statutory Accounting Statements (there was a difference of some £157,000). This was due to journal entries passed by the Councils external accountant during the preparation of his financial report.</i>	The Council should ensure that its Omega accounting system agrees to the values stated in the statutory Accounting Statements.	High	See DCK Beavers email of 15th June. In summary the information submitted to the external auditor identifies FRSSSE adjustments in accordance with accepted accounting practices.

Annual Internal Audit Report 2021/22

Tavistock Town Council

<https://www.tavistock.gov.uk/>

During the financial year ended 31 March 2022, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2021/22 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")			✓
L. The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements			✓
M. The authority, during the previous year (2020-21) 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).	✓		
N. The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken
21/05/2021 09/12/2021

Name of person who carried out the internal audit
Kevin Rose - IAC Audit & Consultancy Ltd

Signature of person who carried out the internal audit



Date 15/06/2022

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

The Clerk
Tavistock Town Council
Council Offices
Drake Road
Tavistock
Devon
PL19 0AU

15-Jun-22

Explanation of "Not Covered" responses

Further to our Internal Audit of your Council for the financial year 2021/22 I am pleased to submit the signed Internal Report for your Annual Return. We have completed our work and I can confirm that we have not given a Negative response for any of the Internal Control Objectives.

You will note that we have given 'Not Covered' responses in respect of Control Objective K, L and O and we are required to explain why we have done this.

- *The reason for the "Not Covered" response for Objective K is that it is not applicable to your Council as the Council did not certify itself exempt from limited assurance review in 2020/21.*
- *The reason for the Not Covered response for Objective L is that it is not applicable to your Council as your 'annual turnover' exceeds £25,000.*
- *The reason for the Not Covered response for Objective O as it is our understanding that the Council does not act as Trustee.*

The External Auditor may query why we have responded 'Not Covered' and, if so, you should provide them with a copy of this letter.

Yours sincerely,



Kevin Rose ACMA
Director

