



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

5th January 2022

Dear Carl,

Report on audit visit carried out on 9 December 2021

An audit visit was carried out by Kevin Rose on Thursday 9 December 2021 as part of the annual internal audit coverage of the Council. The audit was undertaken using our standard IAC Audit Checklist, used for all Local Councils, which has 186 items. A total of 114 items were tested during this audit (including items that were examined and tested as part of the pre-audit process). The balance of 72 items will be checked during the Year End audit visit.

Areas subject to audit were;

Accounting system and records, Payment system, Risk and insurance, Budget and precept setting and monitoring, Billing, income collection and VAT, Petty cash, Payroll, Bank reconciliations, Accounting Statements, Exercise of Public Rights and Publication of the Annual Governance and Accountability Return.

Of the 114 items tested a Positive response was obtained in respect of 82 tests. 7 Negative responses were returned, of which 0 were classed as Non Compliances, 2 as High, 5 as Medium, 0 as Low and 0 as Advisory. (25 items on the standard checklist were not applicable to your Council).

5 Observations and associated Recommendations, in respect of Payment system, Petty cash, Bank reconciliations, Exercise of Public Rights, were raised as set out in detail in the attached Internal Audit Observation report. Our findings were discussed with the Clerk during the audit visit.

A detailed breakdown of our audit testing and Responses is set out in our Internal Audit Summary and I would encourage Councillors to review this in order that they may have greater understanding of the scope of the audit and the areas tested.

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

Yours sincerely,

A handwritten signature in black ink, appearing to read "K. Rose". The signature is written in a cursive style with a large initial "K" and a smaller "R" for "Rose".

Kevin Rose ACMA
Director

Tavistock Town Council

Financial Year 2021-22



IAC Audit and Consultancy Ltd
Visit date: 9-December-2021

Interim Internal Audit Observations

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	Observation	Recommendation	Priority	Comments
1	Have Standing Orders been subject to regular review in accordance with paragraph 1.14 of The Practitioners Guide 2021?	The Councils Standing Orders were last subject to formal review by Council in 2019.	The Council to put in place a process for the regular review of Standing Orders. It may be appropriate for this to be carried out on an annual basis, for example at the Annual Meeting of the Council.	Medium	Agreed
2	Have the Financial Regulations been subject to regular review in accordance with paragraph 1.14 of The Practitioners Guide 2021?	The Councils Financial Regulations were last subject to formal review by Council in 2019.	The Council to put in place a process for the regular review of Financial Regulations. It may be appropriate for this to be carried out on an annual basis, for example at the Annual Meeting of the Council.	Medium	Agreed

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

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Petty cash reimbursement is carried out regularly	Petty Cash has not been subject to regular reimbursement as there has been a very low level of transactions through petty cash this financial year.	The Council to review the frequency of claims for petty cash reimbursement. As part of this review the Council should consider whether the value of petty cash held is higher than required by the value of payments made.	Medium	This reflects the adverse impact of Coronavirus on normal operating arrangements

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

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	There a bank reconciliation for each account (Interim)	A reconciliation is not prepared for the balance held with the Public Sector Deposit Fund. Although the balance on the account is not subject to change the balance held represents a significant percentage of the Councils total reserves.	Bank reconciliations must be carried out for each of the Councils bank accounts. Transactions with a low volume of transactions may be reconciled less frequently, for example on a quarterly basis.	High	Agreed – to be reviewed monthly alongside bank reconciliation

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).

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Council Minutes record the dates set for the Exercise of Public Rights	<i>Council Minutes do not record the dates set for the Exercise of Public Rights.</i>	The Council properly published the Notice for the Period for the Exercise of Public Rights, as evidenced by the Notice which is still available on the Council's website. As this is now an audit requirement to certify that the Council has complied with this requirement (and that websites may be subject to subsequent updates or amendments) we recommend that, when approving the Annual Governance Statement, the Council also formally approves and Minutes the publication dates set.	High	Agreed, to reflect new guidance

Tavistock Town Council



Interim Audit Date: 09/12/2021

Internal Audit Summary 2021-22

Year End Audit Date

Internal Control Objective	Non - Compliance	Negative Analysis			Responses			Not Checked	Recommendations
		High	Medium	Low	Advisory	Positive	Negative		
A Appropriate accounting records have been properly kept throughout the financial year.	0	0	0	0	0	5	0	0	0
B This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	0	0	2	0	0	25	2	3	2
C This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	0	0	0	0	0	7	0	0	4
D The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	0	0	0	0	0	10	0	0	5
E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	0	0	0	0	0	10	0	3	9
F Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	0	0	2	0	0	4	2	3	0
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.	0	0	0	0	0	2	0	0	21
H Asset and investments registers were complete and accurate and properly maintained.	0	0	0	0	0	0	0	0	10
I Periodic bank account reconciliations were properly carried out during the year.	0	1	1	0	0	5	2	0	9
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.	0	0	0	0	0	3	0	0	6
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"	0	0	0	0	0	0	0	3	0
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.	0	0	0	0	0	0	0	7	0

2021-22 Tavistock Town Council Internal Audit

Internal Control Objective	Negative Analysis					Responses			Recommendations	
	Non-Compliance	High	Medium	Low	Advisory	Positive	Negative	N/A		Not Checked
M <i>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).</i>	0	1	0	0	0	4	1	0	0	1
N <i>The authority has complied with the publication requirements for 2020/21 AGAR (see AGAR Page 1 Guidance Notes).</i>	0	0	0	0	0	7	0	1	0	0
O <i>(For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee</i>	0	0	0	0	0	0	0	5	0	0
Total	0	1	0	0	0	11	1	6	0	1

Tavistock Town Council

Internal Audit Detailed Analysis 2021-22

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



Internal Control Objective	Non - Compliance	Negative Analysis				Advisory	Positive	Responses				
		High	Medium	Low	N/A			Negative	Not Checked	Recommendations		
A												
Appropriate accounting records have been properly kept throughout the financial year.	0	0	0	0	0	0	5	0	0	0	0	0
Accounting system	0	0	0	0	0	0	2	0	0	0	0	0
Record keeping	0	0	0	0	0	0	2	0	0	0	0	0
Minutes	0	0	0	0	0	0	1	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
B												
This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	0	0	2	0	0	0	35	2	5	0	2	0
Financial Regulations & Standing Orders	0	0	2	0	0	0	8	2	0	0	2	0
RFO	0	0	0	0	0	0	4	0	0	0	0	0
Powers	0	0	0	0	0	0	2	0	0	0	0	0
Payment Controls	0	0	0	0	0	0	3	0	0	0	5	0
Expenditure Controls	0	0	0	0	0	0	9	0	0	0	0	0
VAT Compliance	0	0	0	0	0	0	2	0	0	0	0	0
Credit/Debit Cards	0	0	0	0	0	0	2	0	0	0	1	0
Tenders	0	0	0	0	0	0	1	0	0	0	2	0
Grants	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
C												
This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	0	0	0	0	0	0	7	0	0	0	4	0
Risk	0	0	0	0	0	0	4	0	0	0	0	0
Minutes	0	0	0	0	0	0	1	0	0	0	1	0
Insurance	0	0	0	0	0	0	1	0	0	0	1	0
Internal Controls	0	0	0	0	0	0	0	0	0	0	2	0
Other	0	0	0	0	0	0	1	0	0	0	0	0
D												
The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	0	0	0	0	0	0	10	0	0	0	3	0
Budget & Precept setting	0	0	0	0	0	0	6	0	0	0	0	0
Auditors Reports	0	0	0	0	0	0	2	0	0	0	2	0
Accounting Statements	0	0	0	0	0	0	1	0	0	0	1	0
Budget monitoring	0	0	0	0	0	0	1	0	0	0	0	0
Reserves	0	0	0	0	0	0	0	0	0	0	3	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
E												
Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	0	0	0	0	0	0	10	0	3	9	0	0
Investments	0	0	0	0	0	0	4	0	0	0	0	0
Fees & Charges	0	0	0	0	0	0	0	0	0	0	0	0
Leases	0	0	0	0	0	0	0	0	0	0	2	0
Debt control	0	0	0	0	0	0	1	0	0	0	0	0

	Billing & Collection	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Precept	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Cash Income	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	VAT Compliance	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	0	0	2	0	0	0	0	0	0	4	2	3	0	0	1	0	0	0	0
	Accounting	0	0	0	0	0	0	0	0	2	0	0	1	0	0	0	0	0	0	0
	Payment controls	0	0	0	0	0	0	0	0	1	1	0	2	0	0	0	0	0	0	0
	Reimbursement	0	0	0	0	0	0	0	0	1	1	1	0	0	0	1	0	0	0	0
	Reporting	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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.	0	0	0	0	0	0	0	0	2	0	0	0	0	21	0	0	0	0	0
	Contracts	0	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0
	PAYE	0	0	0	0	0	0	0	0	0	0	0	0	0	4	0	0	0	0	0
	Deductions	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0
	Pension	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0
	Members Allowances	0	0	0	0	0	0	0	0	2	0	0	0	4	0	0	0	0	0	0
	Accounting	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0
	Changes to terms and conditions	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0
	Payroll Approval	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0
	Overtime	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
H	Asset and Investments registers were complete and accurate and properly maintained.	0	0	0	0	0	0	0	0	0	0	0	0	0	10	0	0	0	0	0
	Asset Register	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0
	Additions & Disposals	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0
	Verification	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
	Accounting	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
	Investments & Loans	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
I	Periodic bank account reconciliations were properly carried out during the year.	0	0	1	1	0	0	0	0	0	5	0	0	9	0	0	1	0	0	0
	Preparation	0	0	1	0	0	0	0	0	2	3	1	0	1	0	0	1	0	0	0
	Review	0	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0
	Cash balances	0	0	0	1	0	0	0	0	0	0	1	0	3	0	0	0	0	0	0
	Accounting	0	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1	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.	0	0	0	0	0	0	0	0	0	3	0	0	8	0	0	0	0	0	0
	Accounting basis	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
	Prior Year	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0
	Current Year	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
	Creditors	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
	Accounting Statements	0	0	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0
	Stocks	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0

2021-22 Tavistock Town Council Internal Audit

		0	1	2	3	4	5	6	7	8	9	0	1	2	3	4	5	6
	Debtors	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	PwLB	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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"	0	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0
	Council Resolution	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0
	Criteria	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0
	Publication	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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.	0	0	0	0	0	0	0	0	0	0	7	0	0	0	0	0	0
	Expenditure publication	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0
	AGAR publication	0	0	0	0	0	0	0	0	0	0	3	0	0	0	0	0	0
	Member responsibilities	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
	Assets publication	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
	Publication of Minutes	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
M	The authority, during the previous year (2019-20) 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	0	0	4	1	0	0	0	0	0	0	0	1
	Publication	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0
	Commencement	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0
	Duration	0	0	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0
	Minutes	0	1	0	0	0	0	0	0	1	0	0	0	0	0	0	1	0
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
N	The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).	0	0	0	0	0	0	0	7	0	0	1	0	0	0	0	0	0
	Publication	0	0	0	0	0	0	0	1	0	0	1	0	0	0	0	0	0
	Approval	0	0	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	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	0	0	0	5	0	0	0	0	0	0
	Meetings	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0
	Accounting	0	0	0	0	0	0	0	0	0	0	2	0	0	0	0	0	0
	Statutory Returns	0	0	0	0	0	0	0	0	0	0	1	0	0	0	0	0	0
	Other	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	2	5	0	0	0	82	7	25	72	5	0	0	0	0	0	0

