

Tavistock Town Council

Internal Audit Summary 2022-23

(shaded Internal Control Objectives are not applicable to your Council)

Interim Audit Date: 24/11/2022
 Year End Audit Date 08/06/2023



Internal Control Objective	Negative Analysis				Responses			Recommendations	
	Non - Compliance	High	Medium	Low	Advisory	Positive	Negative		N/A
A Appropriate accounting records have been properly kept throughout the financial year.	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	0	0	0	15	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	11	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	1	0	0	0	12	1	2	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	20	1	0	0
F Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	0	0	0	0	0	3	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	23	0	2	0
H Asset and investments registers were complete and accurate and properly maintained.	0	0	1	0	0	5	1	4	1
I Periodic bank account reconciliations were properly carried out during the year.	0	0	0	0	0	14	0	0	0
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	10	0	1	0
K If the authority certified itself as exempt from a limited assurance review in 2021/22, 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"	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	N/A
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.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	N/A

Tavistock Town Council Financial Year 2022-23



IAC Audit and Consultancy Ltd

Audit date: 8 June 2023

Year End 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	Has the Council formally Minuted confirmation of bank signatory arrangements?	The Council has recently been subject to change as a result of elections. As a consequence it may be necessary to review and update the bank signatory arrangements.	The Council to formal review and confirm, with the Minutes of a meeting, the agreed signing authorities on the Councils bank accounts.	Medium	AGREED
2	If the Council is a tenant under leases, are the lease agreements current?	The lease schedule maintained by the Council includes, at the bottom, a listing of 'Leases in'. It was confirmed during the audit visit that at least two parcels of land on the list are maintained by the Council but are not owned by the Council. It is unclear whether any formal lease, or other agreement, is in place in respect of these.	The Council to review the 'Leases in' schedule and confirm whether these items are, in fact, subject to a formal agreement and whether the agreements are current and the terms of the agreement complied with.	Medium	AGREED

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

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Continuing existence of assets is checked on a regular basis (when was last check?)	The Council has an extensive asset register which has been subject to significant change over recent years. The Council does not currently have in place a process for the regular review and verification of its assets.	The Council should put in place a process for the regular review and verification of the existence and condition of its assets. Assets of a high value or which may be particularly vulnerable should be subject to verification at more frequent intervals.	Medium	FAR reviewed by Council annually. Condition of built premises to be picked up by Property Maintenance Plan in development by Wks Dept AGREED - asset inventory to be undertaken - 2023

Annual Internal Audit Report 2022/23

Tavistock Town Council

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

During the financial year ended 31 March 2023, 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 2022/23 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 2021/22, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")</i>			✓
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.			✓
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).</i>	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR <i>(see AGAR Page 1 Guidance Notes).</i>	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

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

15/06/2022 24/11/2022

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

10/06/2023

***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

10-Jun-23

Explanation of "Not Covered" responses

Further to our Internal Audit of your Council for the financial year 2022/23 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 for the 2021/22 financial year.*
- *The reason for the Not Covered response for Objective L as your 'annual turnover' exceeds £25,000 and you are therefore not subject to the publication requirements of the Transparency Code.*
- *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



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

10th June 2023

Dear Carl,

Report on Internal Audit carried out on 8 June 2023

An audit was carried out by Kevin Rose on Thursday 8 June 2023. This was the Year End audit following on from the Interim Internal Audit carried out on 24 November 2022.

The audit was undertaken using our standard IAC Audit Checklist, used for all Local Councils, which has 198 items. A total of 88 items were tested during this audit. Including the items tested during the Interim Internal Audit visit a total of 164 items have been checked during the financial year a further 33 items on the standard Checklist were checked and confirmed as being Not Applicable to your Council. A balance of 1 items remained unchecked at the year end.

Areas subject to audit were;

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), payroll (Box G), assets and investments (Box H), bank reconciliations (Box I), and accounting Statements (Box J).

Of the 88 items tested during this audit a Positive response was obtained in respect of 85 tests. There were 3 Negative responses identified, details of which are set out in the attached Year End Internal Audit Observations. A detailed breakdown of our audit testing and Responses is set out in the attached Year End Internal Audit Summary.

I can confirm that none of the Observations raised during the year will give rise to a Negative response in the year end Internal Audit Report.

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

Yours sincerely,

A handwritten signature in black ink that reads "K. Rose". The signature is written in a cursive style with a large, looped 'K' and a stylized 'Rose'.

Kevin Rose ACMA
Director

Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

TAU STOCK TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2023, that:

	Agreed		"Yes" means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.			<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.			<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.			<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.			<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.			<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.			<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.			<i>responded to matters brought to its attention by internal and external audit.</i>
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.			<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			<i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

DD/MM/YYYY

and recorded as minute reference:

MINUTE REFERENCE

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

www.tauistock.gov.uk PAGE ADDRESS

