



Carl Hearn  
Town Clerk  
Tavistock Town Council  
Drake Road  
Tavistock  
Devon  
PL19 0HD

5th December 2022

Dear Carl,

**Report on Internal Audit carried out on 24 November 2022**

An audit was carried out by Kevin Rose on Thursday 24 November 2022. This was the interim audit visit, 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 198 items. A total of 76 items were tested during this audit, including items that were examined and tested as part of the pre-audit process. 19 additional items were checked and confirmed as being Not Applicable to your Council. The balance of 103 items will be checked during the Year End audit.

**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), bank reconciliations (Box I), accounting Statements (Box J), the Exercise of Public Rights (Box M), and the publication of the Annual Governance and Accountability Return (Box N).*

Of the 76 items tested a Positive response was obtained in respect of 74 tests. There were 2 Negative responses identified and 4 Observations were made, details of which are set out in the attached Interim Internal Audit Observations.

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.

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I would like to express my thanks for the assistance provided to me during my 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, looped initial "K" and a smaller "R" for "Rose".

Kevin Rose ACMA  
Director

# Tavistock Town Council Financial Year 2022-23



IAC Audit and Consultancy Ltd

Audit date: 24 November 2022

## Interim Internal Audit Observations

**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   | Observation   | Recommendation  | Priority | Comments  |
|-----|--|---|---|----------|---|
| 1   | The Minutes of the meeting of Full Council, in which the precept was set, clearly states the value of the precept to be raised | The Minutes of the meeting in which the precept was set, do not state the value of the precept to be raised. (They state the Band D value, but not the total value of precept to be demanded). It was noted that the Minutes refer to an increase in precept of 2.92% (which was the increase in Band D). The actual increase in the precept demanded was 6.53%, the difference being due to the increase in the Councils tax base. | In future the Council should ensure that the total value of the Precept to be raised is clearly recorded in the Minutes of the meeting in which the Precept is set (the Band D value may be disclosed as additional information). | High     | To be adopted where possible (note- tax base figures are not always available at the time of Budget setting) in the future. In this instance the Precept figure (£852,554) was listed in the report to Council. |

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

| No. | Audit Test  | Observation   | Recommendation  | Priority | Comments  |
|-----|---|---|---|----------|---|
| 1   | Has the Investment Strategy been published on the Councils website? | The Council has not published its Investment Strategy on the Councils website as required by the Statutory Guidance on Local Council Investments. | Council to ensure that its Investment Strategy is published on its website in accordance with statutory guidance. | Medium   | The Investment Strategy is as stated in Financial Regulation 19 and published on the Council website. |

|   |  |  |  |        |        |
|---|--|--|--|--------|--------|
| 2 | <p>Have fees and charges been subject to review during the financial year?</p> | <p><i>The Council maintains a schedule of fees and charges for the Cemetary. This defines different level of fees for Parishioners and Non-Parishioners with Non-Parishioners fees being 2.5 times the level of Parishioners fees. At present the Council has not established a formal criteria for determining whether a person qualifies as a Parishioner (this is becoming more of an issue as long term residents may move out of the area when being placed in residential care). The current practice is that this is left as a matter for Officer discretion.</i></p> | <p>Due to the very significant difference in the level of fees charged, the Council should review the criteria for determining whether a person is a Parishioner or Non-Parishioner and consider whether a formal criteria should be established for determining at what point the higher Non-Parishioner fees should be charged .</p> | Medium | Agreed |
| 3 | <p>Invoices / Charges levied agree to approved rate of Fees and Charges</p>    | <p><i>Invoicing for the Cemetary is carried out using Word documents, which are then converted to PDF files and emailed. An Excel listing is maintained of these invoices which is updated when Cemetary staff are advised that payment has been received. Cemetary income is recorded in Omega at date payment is received, consequently Cemetary debtors do not appear on the Omega Sales ledger.</i></p>  | <p>The Council should consider raising Cemetary invoices directly in the Omega accounting system. This would avoid the need for the use of additional Word invoices, the maintenance of the Excel spreadsheet, and would ensure that Cemetary debtors are properly recorded in the Omega Debtors Ledger.</p>                           | Medium | Agreed |

# Interim Internal Audit Summary Tavistock Town Council

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



Interim Audit Date: 24 November 2022

| Internal Control Objective |   | Tested    | Positive  | Negative | Recommendations |
|----------------------------|---|-----------|-----------|----------|-----------------|
| Box A                      | Appropriate accounting records have been properly kept throughout the financial year.   | 6         | 6         | 0        | 0               |
| Box B                      | This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.  | 23        | 23        | 0        | 0               |
| Box C                      | This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.  | 6         | 6         | 0        | 0               |
| Box D                      | The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.   | 11        | 10        | 1        | 1               |
| Box E                      | Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.  | 13        | 12        | 1        | 3               |
| Box F                      | Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.   | 0         | 0         | 0        | 0               |
| Box 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               |
| 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.  | 3         | 3         | 0        | 0               |
| Box 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. | 2         | 2         | 0        | 0               |
| Box 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             |
| Box 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.  | N/A       | N/A       | N/A      | N/A             |
| Box M                      | The authority, during the previous year (2021/22) 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 2021/22 AGAR (see AGAR Page 1 Guidance Notes).   | 7         | 7         | 0        | 0               |
| Box O                      | (For local councils only)<br>Trust funds (including charitable) – The council met its responsibilities as a trustee   | N/A       | N/A       | N/A      | N/A             |
| <b>Totals</b>              |   | <b>76</b> | <b>74</b> | <b>2</b> | <b>4</b>        |

