Annual Internal Audit Report 2022/23

Castle Cary Town Council

www.castle-cary.co.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. *(If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")*			✓
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 *(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).*	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR *(see AGAR Page 1 Guidance Notes).*	✓		

O. (For local councils only)	Yes	No	Not applicable
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).

* SEE ATTACHED NOTE

Date(s) internal audit undertaken			Name of person who carried out the internal audit
20/01/2023	18/05/2023	26/06/2023	Mrs R Darkin-Miller LLB(Hons) BFP FCA

Signature of person who carried out the internal audit [signature] Date 25/07/2023

***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).

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Internal Auditor note on test B:

I found that there was no paperwork on file to support 2/13 samples payments, that none of the payments were authorised by the Clerk or other delegated budget-holder, and that 3/13 samples payments were not minuted for approval by Council. I also found that VAT was incorrectly claimed in respect of 2/13 payments (where one payment was supported only by an order, and the other was not supported by any paperwork), and that VAT claims have not been properly made by the Council since 2020/21, meaning that £55k of VAT is owed to the Council at 31/03/23. As a result, I have responded 'no' on this test.

Internal Auditor note on test C:

I checked to see that the minutes recorded the Council carrying out an annual risk assessment. I found that no assessment was carried out in 22/23. The Clerk confirmed that this had been omitted from the March agenda in error, but will be reviewed at the earliest opportunity in 23/24. As a result, I have responded 'no' on this test.

Internal Auditor note on test G:

I found that a former employee had been engaged as a self-employed contractor to work on a one-off project shortly after leaving the Council, with no check having been completed to confirm that the worker met the relevant HMRC criteria. One employee appeared to have not received a scale point increase due in the year. Sample expense claims were not properly completed and no receipts were appended to support non-mileage amounts claimed. Staff expenses were included in staff costs in error. As a result, I have responded 'no' on this test.

R Darkin-Miller LLB (Hons) BFP FCA 25/07/23