



HUDSON ACCOUNTING LTD.  
INTERIM INTERNAL AUDIT REPORT:  
TO THE MEMBERS OF CAMELFORD TOWN COUNCIL  
YEAR ENDED 31ST MARCH 2022.

ISSUE DATE: 28/10/2021  
ISSUED TO: TOWN CLERK

**INTRODUCTION:**

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

**Scope:**

The scope of the audit covers, as a minimum, the areas included in the Internal Audit Report contained in the Annual Governance & Accountability Return and the Transparency Code.

Any areas not covered at this interim stage will be included later in the year or during the final audit activity.

**Approach:**

Audit work is carried out in line with the Chartered Institute of Public Finance and Accountancy's

Internal Audit Standards and guidance issued by the National Association of Local Councils.

Where applicable we have included reference to 'proper practice' and the associated guidance as laid out in 'Governance & Accountability for Smaller Authorities in England' which is applicable to financial years from 1st April 2021.

Selective testing was carried out and the relevant policies, procedures and controls were reviewed.

**GENERAL COMMENTS:**

We would like to thank the staff for their assistance and co-operation during the audit.

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

It should be noted that assurance can never be absolute. The most that the internal audit service can provide is a reasonable assurance that there are no major weaknesses in risk management, governance, and control processes. The audit does not guarantee that the accounting records are free from fraud or error.

We have provided a table of audit recommendations that allow for the Council's response which can be used as an ongoing monitoring tool. We would be grateful if, in due course, it is completed and returned to us.

## **AUDIT COMMENTARY:**

Items in **bold text** within the body of the report represent our findings in respect of the application of controls, text in *italics* represent suggested actions that fall short of being a formal recommendation or do not necessarily pertain to the application of internal controls.

### **Previous Recommendations**

**There are no outstanding recommendations.**

### **Accounting Records**

**The accounts are now maintained on Scribe accounting software they were up to date and appeared free from material errors.**

*Care will be needed at year-end to ensure that the transition between systems is accurately reflected.*

### **Financial Regulations**

**Financial Regulations were last reviewed in May 2021.**

### **Payments**

A sample of payments was tested to establish whether the spending decision, procurement process, certification and approval for payment were in line with Financial Regulations as well as ensuring that payments were supported by invoices, VAT was correctly accounted for, and payment controls were applied.

*Authority to spend:*

**Spending decisions are made at Council as demonstrated in the Minutes; purchase orders are routinely used.**

*Procurement:*

**Within the sample tested the appropriate procurement activity had been undertaken.**

*Payment:*

**Payments were supported by invoices and had been accurately entered into the accounting system. Relevant controls have been applied.**

*Scribe provides a unique number for each transaction and using this as a reference for filing in numeric order would enable easier retrieval of invoices if required. Many councils now use a stamp with boxes to capture information such as the voucher number referred to above as well as coding information, RFO certification and details of Minutes where spending was approved. Thus, significantly enhancing the audit trail.*

*VAT:*

**One error on VAT was discovered and will be rectified.**

### **Risk**

*Risk Assessment:*

**Risk assessments were last reviewed in January 2021. A review in this financial year is required.**

*Insurance:*

**Statutory insurances are in place and the Fidelity guarantee is adequate at £500K.**

*Cash:*

**The Investment Strategy was reviewed in August 2021.**

## **Budgets**

### *Setting:*

**We reviewed the 2021/22 budget setting process as part of our final audit work last year and we review the 2022/23 process later in the year.**

### *Monitoring:*

**A review of the first quarters budget position was undertaken in August.**

## **Income**

Systems were tested to ensure that suitable controls are in place to ensure that all income is received in a timely manner, that charges are correctly applied and that any cash received is promptly receipted and banked.

### *Precept:*

**The precept payment received is in accord with that set by the Council.**

**The Council Tax Support Grant payment received in September has been coded with the precept and will need to be moved to ensure the system produces the correct figures for the AGAR at year-end.**

### *Allotments:*

**Allotment income has all been received and accurately reflected in the ledger.**

### *VAT:*

**VAT claims are up to date.**

## **Payroll**

### *2021/22 pay award and grade restructure:*

**The national pay award is yet to be agreed.**

### *New Starters:*

**A new employee has been issued with a Contract of Employment and is being paid in accordance with it.**

### *Payroll:*

**Testing September's payroll revealed no issues to report.**

### *Tax, NI & Pensions:*

**PAYE & pension requirements are being properly discharged.**

## **Bank Reconciliations**

**Bank reconciliations have been regularly performed and reviewed; September reconciliations were found to be accurate and there were no old unrepresented payments or balancing entries.**

## **Electors Rights**

**The AGAR was properly approved by Full Council in May 2021.**

**The opportunity for electors to examine the accounts was properly advertised and the publication requirements in respect of the 2021/22 accounts have been met.**