



FINAL

Internal audit report 2020/21

Visit 3 of 3

# SOMERTON TOWN COUNCIL

Date: 4<sup>th</sup> June 2021

Report author: R Darkin-Miller  
Email: [r.darkin@darkinmiller.co.uk](mailto:r.darkin@darkinmiller.co.uk)

## **Introduction**

This report contains a note of the audit recommendations made to Somerton Town Council following the carrying out of internal audit testing on the 21<sup>st</sup> May 2021.

The audit work has been carried out in accordance with Appendix 9 of the 2014 'Governance and Accountability for Local Councils: A Practitioners' Guide', as amended by additions in the 2018/19 and 2020/21 AIAR (part of the AGAR).

An internal audit covers the review of the operation of the Council's internal control environment. It is not designed to review and give full assurance over every transaction carried out by the Council. Instead it enables the auditor, following the sample testing of a number of different types of transaction, to give an opinion as to whether or not the control objectives are being achieved across a range of financial and governance systems.

## **Audit Opinion**

The internal audit for 2020/21 has now been completed in accordance with the provisions of the Practitioners' Guide and the CIPFA code of internal audit practice.

Based on the sample testing carried out at this final audit visit and during the year, all of the Council's current financial controls appear to be operating effectively.

## **Audit Recommendations**

Recommendations made during the audit are shown in appendix one to this report. Recommendations are graded as follows:

Rating	Significance
High	Either a critical business risk is not being adequately addressed or there is substantial non-conformity with regulations and accepted standards.
Medium	Either a key business risk is not being adequately addressed or there is a degree of non-conformity with regulations and accepted standards.
Low	Either minor non-conformity with procedure or opportunity to improve working practices further.

The number of recommendations made at this audit visit and their priority are summarised in the following table:

Rating	Number
High	0
Medium	1
Low	0
Info	1
TOTAL	2

The number of recommendations made at all of the audit visits in 2020/21 and their priorities are summarised in the following table:

Rating	Number			
	Visit 1	Visit 2	Visit 3	TOTAL
High	0	0	0	0
Medium	3	4	1	8
Low	5	2	0	7
Info	0	1	1	2
TOTAL	8	7	2	17

I would like to thank Lisa Newby, Town Clerk; and Sue Burton, RFO for their assistance during this audit.

**Darkin Miller ~ Chartered Accountants**  
**2020/21 INTERNAL AUDIT OF SOMERTON TOWN COUNCIL**  
**FINAL REPORT VISIT 3 OF 3: 4<sup>th</sup> JUNE 2021**

**Appendix 1 – Recommendations and Action Plan**

Rec. number	Detail	Priority (Low/ Medium/ High)	Management Response	Responsible Officer	Due Date
3.1 – Minutes approval and signature	<p>I reviewed the minutes to confirm that there was no unusual financial activity. Most Councils were unable to obtain signatures on meeting minutes during the year thanks to the Coronavirus lockdown. The Council has since sought to get minutes signed, but I noted that the Council minutes of 09/02/21 remain unsigned (later minutes were signed), that the minutes of the Promotions &amp; Communications meeting of 21/07/20 were unsigned, and the minutes of 17/11/20 were only signed on the front page.</p> <p>I also noted that the minutes of the Land and Property Committee of 22/09/20 do not formally approve the minutes of its meeting on 28/01/20 (the minutes were accepted as a fair and moderately accurate account), and that there was no signed copy of the minutes of the meeting of 28/01/20 on file. The minutes are on the Council's website.</p> <p>I recommend that the minutes of the meeting of the L&amp;P Committee of 28/01/20 are formally approved and placed on file, and that unsigned approved minutes are signed at the earliest opportunity.</p>	M	<p>The unsigned Full Council minutes of 09/02/2021 were an oversight and I will arrange to have them signed asap.</p> <p>The omission for the P &amp; C minutes will be rectified at the next face to face meeting of that committee which is due on 24<sup>th</sup> June 2021</p> <p>This situation has occurred with the lockdown and then multiple members of the L &amp; P committee resigning from full council during the summer months, before office working was recommenced. There was only one member of the committee remaining who attended the meeting on 28/01/2020, which meant that the confirming of</p>		<p style="color: red;">ASAP</p> <p style="color: red;">24/06/2021</p>

			accuracy was problematical. I will address this with the current chairman in due course.		
10.1 – Adjusted errors	<p>The following errors were adjusted on the AGAR:</p> <ol style="list-style-type: none"> <li>1. Adjustments were made to staff salaries and brought forward reserves in both years in order to bring March salaries paid in arrears into the correct financial year.</li> <li>2. A £1k cash float set up in 19/20 relating to coronavirus support was reclassified as a year-end cash float instead of in-year expenditure.</li> </ol> <p>The net effect of these changes was to reduce the 19/20 brought forward reserve by £6.3k, to increase staff costs in 19/20 by £1.7k, to reduce other payments by £1k and decrease carry forward reserves 19/20 and brought forward reserves 20/21 by £7k.</p> <ol style="list-style-type: none"> <li>3. As the changes made to the 19/20 figures unwound in 20/21, the draft staff costs figure was reduced by £8k, and other payments increased by £1k.</li> <li>4. Government furlough grants of £13.7k were transferred from staff costs to other income, increasing both draft figures by that amount.</li> </ol> <p>As all differences were either related to timing (accruals) or to unwinding a netting-off of income and expenditure, there was no net effect on the 20/21 reserves carried forward.</p>	Info	Pleased this is resolved satisfactorily.		