



FINAL

Internal audit report 2021/22

Visit 1 of 3

SOMERTON TOWN COUNCIL

Date: 25th November 2021

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Introduction

This report contains a note of the audit recommendations made to Somerton Town Council following the carrying out of internal audit testing on site on the 3rd November 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 the additional requirements in the 2018/19 and 2020/21 AGARs.

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

As this audit report is an interim one, no audit opinion is offered at this stage.

The report issued after the final visit for 2021/22 (which will be in May or June 2022) will contain the audit opinion.

The following areas were reviewed during this audit visit:

1. Proper Book-keeping
2. Risk Management
3. Income
4. Petty Cash (confirmed n/a)
5. Exemption
6. Transparency (confirmed n/a)
7. Public Rights
8. Publication

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	4
Information	0
TOTAL	5

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

Darkin Miller ~ Chartered Accountants
2021/22 INTERNAL AUDIT OF SOMERTON TOWN COUNCIL
FINAL REPORT VISIT 1 OF 3: 25th NOVEMBER 2021

Appendix 1 – Recommendations and Action Plan

Recommendation number	Detail	Priority (Low/Medium/High)	Management Response	Responsible Officer	Due Date
3.1 – Sign approved minutes	<p>I reviewed the minutes to confirm that there was no unusual financial activity. I found no such activity, but did note the following gaps in signatures (following the remote meeting required during Covid-19 social distancing measures):</p> <p><u>Council</u> Minutes 09/02/21 are unsigned.</p> <p><u>Land & Properties Committee</u> Minutes 06/07/21 are only signed on the first page (all pages need to be signed or initialled).</p> <p><u>Promotions & Communication Committee</u> Minutes 24/06/21 were not on file, and are unsigned. Minutes 21/07/20 are unsigned.</p> <p><u>Access & Highways</u> Minutes from 28/07/20, 27/10/20 and 26/01/21 are unsigned.</p> <p><u>Personnel Sub Committee</u> Minutes 01/04/21 and 29/04/21 are unsigned.</p> <p>I recommend that the missing P&C minutes are placed on file, and that all approved minutes are signed at the earliest opportunity, in order to ensure</p>	L	<p>As a result of this audit a program of obtaining signed minutes for the records is being undertaken.</p> <p>The minutes have all been approved at the relevant meetings, and approved versions appear on the Town Council website.</p> <p>The Personnel Sub Committee minutes listed have been approved. The Chairman of this committee is currently on extended leave from council duties, as resolved in the Town Council meeting on 12th October 2021. The minutes have been diarised for signing on her return.</p>		

	that there is complete record of Council business and decisions.				
5.1 – Read solar panel meter to trigger FiT payment	<p>I reviewed income year on year as part of testing to see that all income due to the Council is collected. I noted that Feed-in Tariff (FiT) income was £1.5k to 30/09/20, but that no income has been recorded in this year's accounts as yet. The Clerk confirmed that no meter reading has been carried out yet, but that this task had been identified as outstanding, and that it will be added to the list of annual tasks to be completed.</p> <p>I recommend that the meter is read as soon as possible in order to trigger the payment of the FiT to the Council.</p>	L	Meter read and reading submitted by telephone on 9 th November 2021. Diary note to ensure that this is completed quarterly in future.		
5.2 – Review cemeteries administration and paperwork	<p>I tested 2 samples of income from cemeteries. I found that the correct price had been charged and all monies received, but noted that a separate sequentially numbered invoice is raised in word by overwriting the previous invoice (as opposed to on Sage), and that it was not always clear how the paperwork was being filed.</p> <p>Cemetery receipts are printed and kept in an A4 black lever arch file. Notices of interment and applications for memorials are filed separately, each in a buff A4 envelope folder. At some point in the past, applications had a sticker placed on the front which contained space for key information, but this practice has ceased, making it more difficult to</p>	M	<p>It has been the intention to start using a cloud based cemetery system for some time. Scribe Cemetery has been purchased.</p> <p>As a result of: the previous 'sticker system' being curtailed without the cloud based system in place; some inconsistencies with the ERB paperwork issued; and a number of ledger entries being unclear,</p>		

	<p>ensure that all key information is contained within the application.</p> <p>I also noted that a handful of the exclusive right of burial grants contained no note of the date from which the 75 year ERB period runs, and one ERB grant contained the wrong date.</p> <p>I recommend that the cemeteries paperwork is reviewed in order to ensure that all key information is held and that the procedures for dealing with interments, grants and transfers of ERBs, and applications for memorials remain appropriate.</p>		<p>a full audit of the cemetery transactions will be undertaken, starting with the most recent and initially going back to 1st April 2021.</p>		
5.3 – Amend ERBs with no dates or the wrong date	I recommend that the ERB grants which contained no or the wrong date are reissued in order to ensure that the date that the grant commenced is clear.	L	Currently being addressed. One has been dealt with and reissued, on 16 th November 2021.		
5.4 – Consider using finance system to raise cemetery invoices	I recommend that the Council considers whether invoices should be raised on the finance system (which will generate an automatic sequential numbering, and which will allow debts to be shown on the debtors' ledger, and receipts to be more easily allocated).	L	During the audit of the cemetery transactions taking place, initially back to 1 st April 2021, the practice of issuing a separately sequentially numbered invoice will cease. Invoices will be produced via the Sage system.		