



FINAL

Internal audit report 2021/22

Visit 3 of 3

SOMERTON TOWN COUNCIL

Date: 14th June 2022

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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 the 11th May 2022 with some remote testing.

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 later 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

The internal audit for 2021/22 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 with the exception of the following (which was not tested):

Test L: Transparency

The requirement to test compliance with the various Transparency Codes is only compulsory for Councils under £25k. The inclusion of Councils over £25k was introduced just before the year-end testing, and is at the discretion of internal auditors. Consequently I have assessed the test as 'not covered'.

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	0
Low	1
Info	1
TOTAL	2

The number of recommendations made at all of the audit visits in 2021/22 and their priorities are summarised in the following table:

Rating	Number			
	Visit 1	Visit 2	Visit 3	TOTAL
High	0	0	0	0
Medium	1	2	0	3
Low	4	3	1	8
Info	0	0	1	1
TOTAL	5	5	2	12

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
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Appendix 1 – Recommendations and Action Plan

Rec. number	Detail	Priority (Low/Medium/High)	Management Response	Responsible Officer	Due Date
3.2 – Minutes clarification, amendment and signing	<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> Min STC1754 08/03/22 notes the backdated pay award has no note of the resolution of Council. Min STC 1728 08/02/22 notes a grant award but does not specify the value.</p> <p><u>Finance & Personnel Committee</u> Min FPC15 30/09/21 refers in error to the minutes of the meeting of 14/07/21, but the meeting was on 21/07/21.</p> <p><u>Promotions & Communication Committee</u> Minutes 21/09/21 are unsigned.</p> <p><u>Personnel Sub Committee</u> Minutes 01/04/21 and 29/04/21 are unsigned. This was noted in visit 1.</p> <p>I recommend that Council notes the resolution regarding back pay, and the value of the grant awarded at its next meeting; that FPC minutes 15 is amended, and that the unsigned minutes are signed</p>	L	<p><u>Council:</u> This is my error in the minutes – the recommendation recorded but omitted the resolution. Will ensure that this is resolved at the full council on 14th June 2022.</p> <p><u>Finance:</u> Will ensure that this is rectified.</p> <p><u>P & C</u> Councillor who held office as chairman no longer in place, therefore chairman at the meeting cannot sign. These can be signed at the next P & C meeting by the current chairman if appropriate. The current chairman was in attendance at this meeting.</p> <p><u>Personnel</u> Chairman was on long term leave of absence due to illness, and is now no longer a councillor. Current chairmen can sign if appropriate LN</p>		

	at the earliest opportunity. This will ensure that a full record is held of Council business and decisions.				
10.1 – Adjusted errors	<p>The following errors were restated in the draft accounts for the comparative year:</p> <ol style="list-style-type: none"> 1. The opening balances 20/21 were restated to account for: <ul style="list-style-type: none"> - Rates 16/17 – 19/20 £8.3k (invoices not received until 21/22) - £993 costs re legal covenant fees - Car park penalty income 18/19 £1.6k (not received until 21/22) - £75 covenant reimbursement - The net impact was a reduction of £7.4k on the 20/21 opening balances from £653k to £645k. Note this is a timing difference, and by 31/03/22 has unwound. 2. £1k of councillor allowances were moved from staff costs to other payments for the comparative year. 3. Other income was increased by £2.5k to reflect 20/21 car park income received 21/22. 4. Other payments were increased by £2.3k to reflect car park administration and public toilet cleaning costs for 20/21 not invoiced until 21/22. 5. Fixed assets were increased by £1 to recognise the Etsome Terrace Memorial 	Info	<p>Late invoicing by SSDC and Chubb Bullied (solicitors) has resulted in the necessity to carry out these adjustments in the accounting records for STC.</p> <p>This occurred due to the historical miscoding of the expense to the incorrect nominal ledger account. This has now been corrected in the Sage accounting program.</p> <p>See 1. above.</p> <p>See 1. above.</p>	Sue Burton	<p>“</p> <p>“</p> <p>“</p>

