

Annual Internal Audit Report 2018/19

Wantage Town Council

This authority's internal auditor, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls to be in operation **during** the financial year ended 31 March 2019.

The internal audit for 2018/19 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	Agreed? Please choose one of the following		
	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 and year-end bank account reconciliations were properly carried out.	✓		
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 2017/18, it met the exemption criteria and correctly declared itself exempt. ("Not Covered" should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR)			✓
L. During summer 2018 this authority has correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations.			Not applicable ✓
M. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

03/05/2018

Name of person who carried out the internal audit

Kevin Rose ACMA

Signature of person who carried out the internal audit



Date

24/04/2019

*If the response is 'no' you must include a note to 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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Year End Audit Observations

Audit date	Priority	Observation	Recommendation	Status	Comments
24 April 2019		The Council has not published the Annual Governance Statement, Statement of Accounts and External Auditors report as required by the Accounts and Audit Regulations 2015	The Council MUST comply with the Accounts & Audit Regulations 2015 Regulation 13 which states — "a Category 2 authority must, after the conclusion of the period for the exercise of public rights but not later than 30th September of the financial year immediately following the end of the financial year to which the statement relates, publish (which must include publication on that authority's website)— (a) the statement of accounts together with any certificate or opinion entered by the local auditor in accordance with section 20(2) of the Act; and (b) the annual governance statement approved in accordance with the Act." The Council MUST comply with the Accounts & Audit Regulations 2015 Regulation 16 which states — "As soon as reasonably practicable after conclusion of an audit, a relevant authority must publish (which must include publication on the authority's website) (a) a statement— (i) that the audit has been concluded and that the statement of accounts has been published; and (ii) of the rights of inspection conferred on local government electors by section 25 of the Act; (b) the address at which, and the hours during which, those rights may be exercised."	Pending	RFO comment - All but the external auditor's report were published and displayed on the Council's website in accordance with the regulations. The external audit report is now displayed on the Council's website.
	H	The Council has not published the Notice of Conclusion of Audit as required by the Accounts and Audit Regulations 2015	The Council MUST comply with the Accounts & Audit Regulations 2015 Regulation 16 which states — "As soon as reasonably practicable after conclusion of an audit, a relevant authority must publish (which must include publication on the authority's website) (a) a statement— (i) that the audit has been concluded and that the statement of accounts has been published; and (ii) of the rights of inspection conferred on local government electors by section 25 of the Act; (b) the address at which, and the hours during which, those rights may be exercised."	Pending	RFO comment - The Notice of Conclusion of Audit was published on the Council's website on 1 October 2018. The External Auditor's report has now been added to the website.
		Bank transactions could not be verified to source documents Sample tested for Jan 2019. Vouchers for cheques 30679 amd 30680, plus £100 'ABBEY GRP' were not on file	Missing vouchers to be provided to auditor	Pending	RFO Comment - Missing paperwork will be provided to the internal auditor.
		Payroll processing costs and staff training have been included in Box 4 in the Accounting Statements. These costs should be included in Box 6 Other Costs	Council to amend Accounting Statements accordingly. The Council should review the 2017/18 Accounting Statement values to determine whether these need to be restated.	Pending	RFO Comment - The required information has now been supplied to the internal auditor.

		At present the Council has recorded CIL funds held as a liability rather than taking them as income.	CIL funds (as with £106 funds) must be recorded as income. The Council should monitor the use of these funds through the use of Earmarked Reserve.	Pending	RFO Comment - The CIL fund has been treated in the way proposed by the internal auditor in the statements presented to the Town Council.
	H	Council does not appear to be paying the Mayor's Allowance under PAYE	Council to note that all Lump Sum Allowances, including Councillors and Mayors allowances, must be taxed under PAYE	Pending	RFO Comment - Advice from NALC is being sought and whatever appropriate action will be taken.
	H	It was noted that the bank statement for the Co-Op Community Directplus Account No. 61046045 was dated October 2017	Council to obtain confirmation that this balance was still in place as at 31st March 2019, Confirmation to be provided to the auditor.	Pending	RFO Comment - An up to date statement has been received and will be passed to the internal auditor.
		Cash receipts are used to fund petty cash	Cash receipts should to be banked intact. The Council should consider the operation of the petty cash on and Imprest (reimbursement) basis	Pending	RFO Comment - There wer only 14 petty cash transactions in 2018/19. of value £438 and this will diminish following the introduction of the Council's own credit card. The work involved in operating an imprest system cannot be justified.
		Cash book petty cash balances are not subject to regular reconciliation to cash on hand	Cash book petty cash balances must be subject to regular reconciliation to cash on hand. At the year end a Cashiers Certificate confirming the cash balance held should be signed by the cash custodian and verified and signed by an independent person.	Pending	RFO Comment - the sums involved do not justify the actions proposed.
	M	Not possible during audit visit to verify the value of movement in assets between 2017/18 and 2018/19 values	Council to provide details of change in values	Pending	RFO Comment - This information has now been supplied to the internal auditor.
		It was noted possible during the audit visit to verify the amount of the year end VAT claim with then balance recorded in the Councils accounts.	Year end VAT claim to be provided to the auditor	Pending	RFO Comment - The statement for the VAT reclaim has been prepared and will be passed to the internal auditor.

	M	<p>it was not possible during the audit visit to verify salaries paid to staff contracts of employment. (The Clerk was unavailable during the afternoon of the audit visit)</p>	<p>Copies of contracts of employment (or other relevant documents) to be provided to the auditor to confirm pay rates applicable as at February 2019 (the date of the audit sample)</p>	<p>Pending</p>	<p>RFO Comment - Information supplied to the internal auditor on 1 May 2019.</p>
		<p>Priority</p>			
		<p>H High Priority: Potential of legal or regulatory non-compliance or risk of significant financial or reputational impact</p>			
		<p>M Medium Priority: Potential for operational impact, medium risk of financial or reputational impact</p>			
		<p>L Low Priority: Issues that the Council should be aware of, or that have been resolved. No further action required.</p>			
<p> Kevin Rose ACMA Director IAC Audit & Consultancy Ltd</p>					