

**Ilminster Town Council
Financial Year 2022-23**



IAC Audit and Consultancy Ltd

Audit date: 26 May 2023

Year End Internal Audit Observations

C *This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.*

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Assets included in the assets register are covered under the Councils insurance policy	<i>It is unclear what the status is of insurance on Archie Gooch Pavilion. It is understood that the building is owned by the Council but responsibility for insurance rests with the tenant.</i>	<p>Council to review its arrangements for verifying the there is valid insurance coverage in place for the pavillion</p> <p>A copy of the insurance coverage of the Archie Gooch Pavilion to be provided to the auditor.</p>	Medium	A letter has been written to Ilminster Sports Club Ltd requesting a copy of the insurance and this will be requested annually. Letter has also requested the reinstatement of the annual meetings as per the lease.

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.*

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Salaries paid agree with those approved by the council	<p><i>It was noted that the pay schedules in used by the Council use an hourly rate which is not calculated on the local council NJC hours of 1,924 hours per year.</i></p> <p><i>There was detailed discussion regarding the pay computation for a part time member of staff. It is unclear that this has been calculated correctly.</i></p>	<p>The Council to note that hourly rates of pay should be calculated based on 1,924 hours per year.</p> <p>The Council to review and confirm the computation of the part time member of staff. If necessary the Council to consider whether there is a need to make any adjustment to pay as a consequence of this review.</p>	High	Correct rates have been corrected and this is being reported to members at the full Council meeting on the 20 June 2023

H Asset and investments registers were complete and accurate and properly maintained.

No.	Audit Test			Priority	Comments
1	Asset sales proceeds have been recorded gross and costs of sale and associated VAT accounted for correctly.	<i>It was noted that £10,000 of trade in income related to the disposal of two items of outdoor equipment was credited to an expenditure code 560/1 Vehicle Purchase. As a consequence both income and expenditure for the year have been understated by £10,000.</i>		Medium	Adjustments have been made by the RFO and are reflected in the stated AGAR figures for 2022-23
2	Continuing existence of assets is checked on a regular basis (when was last check?)	<i>Continuing existence of assets is not checked on a regular basis.</i>		Medium	Large item assets have been checked and we will continue to look at a regular process for doing this.
3	Movement on asset register agrees to additions to disposals made in the year	<i>Movement on the asset register does not agree to additions to disposals made in the year.</i>		Medium	Adjustments are being considered where appropriate following the result of the information being sought from the accountancy software being made available.