



Mark Tredwin
Town Clerk
Ilminster Town Council
Old Magistrates Court
East Street
Ilminster
TA19 0AJ

22nd November 2022

Dear Mark,

Report on Internal Audit carried out on 14 November 2022

An audit was carried out by Kevin Rose on Monday 14 November 2022. This was the interim audit visit, part of the annual internal audit coverage of the Council.

The audit was undertaken using our standard IAC Audit Checklist, used for all Local Councils, which has 196 items. A total of 103 items were tested during this audit, including items that were examined and tested as part of the pre-audit process. 27 additional items were checked and confirmed as being Not Applicable to your Council. The balance of 66 items will be checked during the Year End audit.

Areas subject to audit were;

the accounting system and records (Box A), the payment system (Box B), risk and insurance (Box C), budget and precept setting and monitoring (Box D), income billing, collection and VAT (Box E), petty cash (Box F), assets and investments (Box H), bank reconciliations (Box I), accounting Statements (Box J), the Exercise of Public Rights (Box M), and the publication of the Annual Governance and Accountability Return (Box N).

Of the 103 items tested a Positive response was obtained in respect of 96 tests. There were 7 Negative responses identified, details of which are set out in the attached Interim Internal Audit Observations. A detailed breakdown of our audit testing and Responses is set out in the attached Interim Internal Audit Summary.

The records reviewed were found to be in good order and none of the Observations raised at this stage would give rise to a Negative response in the year end Internal Audit Report. One matter that I would like to draw particular attention to is the review of Risk. At the date of the Interim Audit this had not been carried out and I was advised that this would be undertaken prior to the end of the Financial Year. The Council should note that it is a requirement that such a review is undertaken during the year and a failure to do this would result in both a negative response on the Internal Audit Report and also require a Negative response on the Annual Governance Statement.

A detailed breakdown of our audit testing and Responses is set out in our Internal Audit Summary and I would encourage Councillors to review this in order that they may have greater understanding of the scope of the audit and the areas tested.

I would like to express my thanks for the assistance provided to me during my audit.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K. Rose'.

Kevin Rose ACMA
Director