

Committee: FULL COUNCIL

Date: 17 January 2023

Title: Interim Audit Response 2022/23

Purpose of Report

For members to receive and note the outcome and response to the Interim Internal Auditor's report.

Recommendation:

Members are asked to note the Interim Internal Auditor's report and resolve to approve the Town Clerk's response for mid-year 2022-2023.

Background:

1. The Internal Audit is an important part of the council's governance and managerial framework and, as such, it is important that the Town Clerk takes responsibility for any observations and recommendations arising from the internal auditor's visits.
2. Mr Kevin Rose from IAC Audit and Consultancy Ltd was appointed by Full Council as the Council's auditor for the first time at its Full Council Meeting on 15 February 2022 for a period of 3 years. **(Minute 1166)**.
3. In his proposal to the council, Mr Rose estimated that he would need two days per year to carry out his audit, which would include a mid year visit and a visit after Year End.
4. The internal auditor's remit is to establish there is proper book-keeping, risk management arrangements, bank reconciliation and year end procedures, and controls area in place for payments, budgets, income, petty cash and assets.

Report

5. Mr Rose carried out his first visit, for financial year 2022-2023, at the Town Council office on 14th November 2023. The letter in **Appendix 14A** details the breadth of the work carried out on the day, and his subsequent Interim Audit Observations report, along with the Town Clerks' comments, have been provided in **Appendix 14B**.

6. In the report, 8 observations were made of which Mr Rose identified 2 high priority, 5 medium priority and 1 advisory observation. As required, the Town Clerk made comments on each of these observations and these can be seen in **Appendix 14B**.
7. In respect of the two high priorities, **D1** The Town Clerk has amended the column headers on the budget spreadsheet to make it clearer. **E2** The investment in CCLA and the balances held in the bank accounts are due to be reviewed at the Full Council meeting in February 2023.
8. With respect to the 5 medium priorities, **A1** the RFO contacted the finance software company to find a solution for a mid year Trial Balance report and two reports were sent to Mr Rose. **B1** the Town Clerk's CiLCA training had been delayed due to sickness, however, it is on track to be completed by the end of January 2023. **B2** The VAT element of the expenditure has now been corrected. **C2** the Fidelity Insurance was increased from £500,000 to £750,000 on 24th November 2022 which attracted an increase in the insurance premium. **E1** The Treasury and Investment Policy can now be found on the Town Council website under 'Policies'.
9. **C1** The advisory of reviewing risk will be taken to the Full Council meeting in February 2023.
10. Members are asked to note the Interim Internal Auditor's report and resolve to approve the Town Clerk's response for mid-year 2022-2023.

Julie Earp
Deputy Town Clerk
January 2023