

**Year End Internal Audit Observations**

**B** This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Has guidance been issued to staff on the usage of the card?	<i>The Council has not issued formal guidance to staff on the permitted usage of Debit/Credit cards.</i>	The Council to issue formal guidance to staff on the permitted usage of Debit/Credit cards. (An example template has been provided to the Clerk.)	Medium	A draft policy for the use of Credit/Debit cards will be taken to Full Council on the 21 June 2022 for approval

**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	The value of the Councils Fidelity Insurance covers the value of the Councils cash & bank holdings	<i>The value of the Councils Fidelity Insurance is £500,000 and does not cover the value of the Councils cash &amp; bank holdings</i>	The Council to review the level of its Fidelity insurance and consider whether it is adequate to cover the value of cash and bank balances held.	Medium	Enquiries will be made of our insurers to increase the fidelity insurance.

**D** The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	The Minutes of the meeting of Full Council, in which the precept was set, clearly states the value of the precept to be raised	<i>The Minutes of the meeting in which the precept was set, do not state the value of the precept to be raised. Minutes state the precept is the same as the previous financial year.</i>	In future the Council should ensure that the value of the Precept to be raised is clearly recorded in the Minutes of the meeting in which the Precept is set. The Council to formally confirm the value of the precept raised for the year.	High	At the Full Council meeting on the 21 December 2021, Minute number 1105 states "Members RESOLVED by 8 for to 1 against to set the Precept for 2022/23 at £361,231.00 a rise of 8.16%. Proposer Cllr Shepherd Seconded Cllr Jenner-Hurford".

**E** Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Is there is an investment policy in place? (obtain copy)	<i>The Council does not have a formal Investment Policy in place.</i>	The Council should note that it is a specific requirement of the 'Statutory Guidance on Local Government Investments' paragraph 14 that Local Councils with total investments above £100,000 have in place an Investment Strategy. (An example strategy has been provided to the Clerk)	High	A draft Formal Investment Policy will be taken to Full Council on the 21 June 2022 for approval

2	If the Council receives income under leases is the income being received as required?	<i>It is unclear what the how the amounts due in respect of licences is computed and when these were last subject to formal review by the Council.</i>	The Council to review the licence agreements it has in place and ensure that the basis of any charge under the agreements is clearly set out. The terms of any licences in place should be subject to regular review.	Medium	The charges are currently being reviewed and will be taken to Full Council by October 2022 ready for the annual Budget Setting process.
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**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	<i>It was not possible during the audit visit to review and agree salaries paid to staff with Contracts of Employment. It is unclear when the Council last reviewed the hours and pay rates applicable to staff.</i>	The Council to review the salaries paid and verify whether they are correct. On an annual basis, as part of the budget setting process, the Council should formally review and approve a schedule of staff rates of pay and hours of work.	High	A report was taken to the Resources Committee on the 7 September 2021. This is in line with the delegated Terms of Reference for that committee relating to staffing. Changes to a staff member's salary were recommended and passed to Full Council for their meeting on 21 September. Minute number 1015 shows Members Resolved to accept Recommendation R258 from the Resources committee.

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

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	The asset register has been subject to review by Council		The Council should formally review the asset register each year prior to the approval of the Accounting Statements. This review should include approval of all items that have been removed from, or added to, the list during the financial year.	Medium	The Fixed Asset Register will be reviewed prior to the approval of the Accounting Statements at the Town Council meeting to be held on 21 June 2022.
2	Assets purchased / disposed of have been added to / removed from asset register	<i>It was noted that the total of 'Fixed Assets Purchased' less the cost of 'Fixed Assets Disposed' did not to agree to the change in asset values between 2021 and 2022. The asset value has changed by £223,393, however purchases(less disposals) were £230,283 a difference of £6,890. It appears that this difference is due to assets being deleted from the asset register. It is understood that this was done a part of a process or reviewing the asset register and removing duplicate items.</i>	The Council to note that the Fixed assets disposed' listing does not include all items removed from the asset register. In future the Council to ensure that assets are only removed from the asset register by being recorded as disposed they should not be deleted.	High	Town Council meeting to be held on 21 June 2022 Members to note the difference in disposals of £6,890. As the Fixed Asset Register is updated in the future, any duplications will be included as disposals.