



Emma James
Town Clerk
Okehampton Town Council
Town Hall
Fore Street
Okehampton
Devon
EX20 1AA

11th October 2024

Dear Emma,

Interim Internal Audit

An audit was carried out by Kevin Rose on Tuesday 8 October 2024. This was the interim internal audit, part of the annual internal audit coverage of the Council. Prior to the audit a 'Pre-Audit' was carried out remotely which tested items which are required to be published on the Councils website.

The audit was undertaken using the standard IAC Audit Checklist, that we use for all Local Councils, which has 208 items. A total of 116 items were tested during this audit, including items that were examined and tested as part of the pre-audit process. A balance of 92 items remain to be tested.

The following 'Internal Control Objectives' of the Annual Internal Audit Report (part of the AGAR) were checked and confirmed as being Not Applicable to your Council for this financial year.

- Exemption from External Audit (Box K)*
- the Transparency Code (for Smaller Authorities) (Box L)*

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)
- Bank reconciliations (Box I)
- the Transparency Code (for Smaller Authorities) (Box L)

Of the 110 applicable items tested a Positive response was obtained in respect of 108 tests. There were 2 Negative responses identified and 4 Observations were made, details of which are set out in the attached Interim Internal Audit Observations.

Summary of tests undertaken during this audit

Positive response	108
Negative response	2
Not Applicable to your Council	6
Total tests carried out	116

I am pleased to advise that no 'Non-Compliances' were identified at this stage that would give rise to a negative response on the statutory Annual Internal Audit Report.

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

Interim audit summary Okehampton Town Council

(shaded Internal Control Objectives are not applicable to your Council)



Audit 1 Date 8 October 2024

Internal Control Objective	N/A	Tested	Positive	Negative	Observations	Non Compliance
Box A <i>Appropriate accounting records have been properly kept throughout the financial year.</i>	-	6	6	-	-	
Box B <i>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.</i>	1	34	33	-	-	
Box C <i>This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</i>	2	11	9	-	1	
Box D <i>The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</i>	2	15	12	1	1	
Box E <i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</i>	-	22	22	-	1	
Box F <i>Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.</i>	-	9	9	-	-	
Box G <i>Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.</i>	-	-	-	-	-	
Box H <i>Asset and investments registers were complete and accurate and properly maintained.</i>	-	-	-	-	-	
Box I <i>Periodic bank account reconciliations were properly carried out during the year.</i>	-	2	2	-	-	
Box J <i>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.</i>	-	1	1	-	-	
Box K <i>If the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered"</i>	-	-	-	-	-	
Box L <i>The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.</i>	-	1	-	1	1	
Box M <i>The authority, during the previous year (2023/24) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).</i>	-	5	5	-	-	
Box N <i>The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR Page 1 Guidance Notes).</i>	-	7	7	-	-	
Box O <i>(For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee</i>	1	3	2	-	-	
Totals	6	116	108	2	4	-

Okehampton Town Council Financial Year 2024-25



IAC Audit and Consultancy Ltd

Audit date: 8 October 2024

Visit 1 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	Response	Observation	Recommendation	Priority	Comments
1	The Council, meeting as a whole, has reviewed the effectiveness of its internal control system as required by Regulation 6 of the Accounts and Audit Regulations 2015	Yes	The Internal Control Policy was reviewed in March 2024. Council to note that the Accounts and Audit Regulations (Reg 6) require that Councils "conduct a review of the effectiveness of the system of internal control" each financial year and that this is carried out prior to the approval of the Annual Governance Statement.	<p>The Council to note the specific requirement that each financial year a Council must "conduct a review of the effectiveness of the system of internal control" prior to the approval of the Annual Governance Statement.</p> <p>The Council to consider whether it should review the method and timing of its review of the Effectiveness of Internal Controls in order to meet the requirements of the regulations.</p>	High	Noted, council to consider how it wishes to progress.

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	Response	Observation	Recommendation	Priority	Comments
1	Does the budget recorded in the Councils accounting system agree to the budget set by Council?	No	It was not possible to agree the budget approved by Council to the budget stated in the Council's accounting system. There is a difference of £5,000 which relates to a rollover of £5,000 for tree maintenance (it is not clear when Council approved this rollover).	Council to review the budget recorded in the Councils accounting system to ensure that it agrees to the budget approved.	High	It is believed this was an error. Council to consider and resolve action to be taken.

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

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Invoices / Charges levied agree to approved rate of Fees and Charges	Yes	The fee for weddings is not published (paid by DCC) and was last subject to review in August 2021. It is not clear how this fee is subject to regular review.	Council to put in place a process for the regular review of fees for Council Chamber ceremonies.	Medium	Rate is considered annually along with other hire fees, but the amount has not been recorded on the schedule which is published. This is to save hirer confusion about fees for ceremonies. Council to consider including fee amount.

L The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The Council has complied with the publication requirements of the ICO Model Publication Scheme for Parish Councils. (This includes a requirement to publish the Annual Internal Audit Report).	No	The Council has not complied with the publication requirements of the ICO Model Publication Scheme for Parish Councils.	The Council should note the legal requirements to publish information in accordance with the ICO Model Publication Scheme (version 3). Although this is not a requirement under the Accounts and Audit Regulations 2015, the Council should note that it is a statutory requirement under the Freedom of Information Act.	Advisory	Publication scheme to be updated with newer version and approved by Council.