

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



**IAC Audit and Consultancy Ltd**

Audit date: 29 March 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	The Council, as a body, has undertaken a formal review of risk (this cannot be delegated to sub-committee) - Year End Audit	<i>It is understood that the review of Risk was an agenda item for March Full Council however Council deferred discussion on this. Consequently Council did not formally review risk during the financial year.</i>	<p>It is a requirement of the Annual Governance Statement, as well as the Annual Internal Audit Report, that the Council has undertaken a review of Risk.</p> <p>As no such review has been confirmed in Council Minutes the Council must record a Negative response for Assertion 5 of the Annual Governance Statement. It will also be necessary for the Internal Auditor to give a Negative Response for Internal Control Objective C on the Annual Internal Audit Report.</p>	Non Compliance	The Risk Review has been reviewed and approved by full Town Council on the 18th April

**G Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI**

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Employees have contracts of employment with clear terms and conditions	<p><i>The Council uses a modified version of the NALC model form of contract, however it was noted that the Contract for the Deputy Clerk refers to a fixed starting salary (which equates to SCP 26 at that time) and does not refer to a specific Spinal Column Point.</i></p> <p><i>The Contract also refers to "progression automatically through the range in salary scale.." but does not refer to which range is to be applied.</i></p>	The Council should review the form of Contract in place for its staff and the format it will use in future. If the Council is to modify the model contract of employment it should seek appropriate professional advice on the form and content of contract it uses.	High	Professional advice has now been given, the Deputy Clerks contract has been reviewed and modified
2	The Council has in place a process for the review and approval of overtime or Time In Lieu	<p><i>The current practice at the Council is for extra hours worked to accumulate as TOIL (Time in Lieu). At present the Council does not have a formal policy in place which sets out how much TOIL may be accumulated and the timeframe in which it must be taken.</i></p>	The Council to put in place a policy for TOIL. This should include specific arrangements to monitor time accumulated and to ensure hours in lieu do not accumulate to excessive levels.	High	A TOIL policy has been drawn up and is to be adopted in June

**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	<i>The asset register has not been subject to review by Council</i>	The Council should formally review the asset register each year prior to the approval of the Accounting Statements	Medium	Noted for future reference
2	Continuing existence and condition 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>	The Council should put in place a process for the regular review and verification of its assets. Assets of a high value or which may be particularly vulnerable should be subject to verification at more frequent intervals.	Medium	As above

**I** *Periodic bank account reconciliations were properly carried out during the year.*

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Bank reconciliations have been signed and dated as evidence of independent review (Year End)	<i>As at the date of the year end audit bank reconciliations had not been signed and dated as evidence of independent review.</i>	Prior to the approval of the Accounting Statement the bank reconciliation should be subject to formal review and signed and dated as evidence of this review.	Medium	As above

**J 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**

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Year end creditor balances are reasonable and agree to year end Trial Balance	<p><i>It was noted that the year end creditor balance includes significant amounts which relate to the award of grants which had not be paid as at the 31st March 2023. This includes an amount £20,000 for WI Hall grant, £36,638 for Carterton FC and £2,000 for OXIP. The total of these is £58,638.</i></p> <p><i>As a consequence of this accounting the Box 6 value in the draft Accounting Statements is overstated by £58,638, and Box 7 Reserves are understated by the same amount.</i></p>	<p>The Council to note that grants awarded by the Council, but not paid out, do not represent a creditor balance and should not be recorded as such.</p> <p>The Council to amend the draft accounting statements, to reduce the Box 6 value by £58,638 and increase the Box 7 value by the same amount prior to the formal approval of the Accounting Statements by Council.</p>	High	As above