

Carterton Town Council
Financial Year 2021-22



IAC Audit and Consultancy Ltd

Interim Internal Audit Observations

Visit date: 16- November -202

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	Fidelity insurance cover is £800,000. The Council cash & bank balances are over £900,000 which exceed the Council Fidelity Insurance Cover.	The value of the Councils Fidelity Insurance does not cover the value of the Councils cash & bank holdings.	Medium	The insurance cover will be increased.

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	The Minutes of the meeting in which the precept was set, do not state the value of the precept to be raised.	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	The Precept and Budget had been agreed at Council. The actual Precept sum was shown in the Minute relating to the Annual Return.

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 income due on investments subject to regular check and verification? (Is investment performance regularly reported to Council?)	To Note the West Oxford District Council hold £590,000 as a form of a loan. The Council does not receive statements from the Local Authority confirming balances and interest gained.	The Council Must ensure that West Oxfordshire District Council provide the Council with statements confirming balances.	High	Every month the amount banked with West Oxfordshire District Council is shown in the financial reports for noting at the council meeting. (copy provided to Auditor).
No.	Audit Test	Observation	Recommendation	Priority	Comments
1	End of month bank statements have been reconciled to accounts (interim)	West Oxfordshire District Council holds funds on behalf of the Council effectively a loan to the local authority. The amount is currently £590,000. The Council last requested £40,000 13 October 2020 to be transferred over to Council accounts. The Council does not receive any updates however the Clerk is requesting the current balance statement on the Loan Account T1669.	The Council should put in place arrangements for reconciliation of West Oxfordshire District Council loan account and supporting statement balances.	High	The amounts on deposit with WODC are shown monthly in the papers to be noted by Council at the monthly Council meeting. A statement will be requested from WODC and circulated with the next council Agenda.
2	Bank reconciliations have been signed and dated as evidence of independent review (Interim)	Bank reconciliations have not been signed and dated as evidence of independent review.	Bank reconciliations which have been subject to review should be signed and dated as evidence of this review.	Medium	Bank Reconciliations are part of the financial papers Noted by Council at each meeting. Minutes are then signed by the Chairman at the meeting following the Council meeting where they are noted. This occurs monthly. Provided to Auditor).
1	Periodic bank account reconciliations were properly carried out during the year.				