

**Internal Audit Report
Charlbury Town Council
Oxfordshire.**

**Internal Audit Final Report
2021-22**

24th June 2022

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Introduction

An internal audit review of Charlbury Town Council's Financial controls for 2021/22 has been undertaken by Abbott Denton & Co Chartered Certified Accountants. The work covered was a key control review of the systems in place for ensuring an adequate level of Governance and Financial control. Sample testing of transactions to ensure compliance in all areas of Council management was undertaken and aimed to evaluate the systems and identify risks and any associated weaknesses. Previous recommendations were followed-up.

Scope of the Internal Audit

The review included the following:-

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Findings, recommendations and action plan

Process	Annual Return Section	Findings	Recommendations	Action Planned
Bookkeeping Arrangements	A	Appropriate books of account have been properly kept throughout the year. Well maintained with sound audit trails.	No Recommendations	N/A
Councils Financial Regulations have been met in regard to expenditure.	B	<p>The Councils Financial Regulations have been met in that appropriate authorisations have been given for each level of expenditure.</p> <p>Payments were supported by Invoices, expenditure was approved and VAT was appropriately accounted for.</p>	No Recommendations	N/A

Process	Annual Return Section	Findings	Recommendations	Action Planned
Budgetary Controls (Precept requirement)	D	The Annual precept requirement resulted from an adequate budgetary process.	No Recommendations	N/A
Budgetary Controls (Budget monitoring)		Progress against the Budget was regularly monitored.	No Recommendations	N/A
The final Outturn is in line with expectations.		The final Outturn was materially in line with expectations.	No Recommendations	N/A
Income controls	E	Expected Income was fully received and properly recorded.	No Recommendations	N/A
Petty cash controls	F	Petty cash was not operated by the Council within this financial year.	No Recommendations	N/A

Process	Annual Return Section	Findings	Recommendations	Action Planned
Payroll controls	G	Salaries to employees and allowances to members were paid in accordance with council approvals. PAYE and NI requirements were properly applied.	No Recommendations	N/A
Asset Controls	H	The Asset register has correctly recorded all material Assets. The correct basis of valuation has been applied.	No Recommendations	N/A
Bank Reconciliations	I	Periodic and year-end bank account reconciliations were properly carried out.	No Recommendations	N/A
Accounting Statements	J	Correct accounting basis used and reconciled to the Cash Book.	No Recommendations	N/A

Process	Annual Return Section	Findings	Recommendations	Action Planned
Trust Funds (If applicable)	K	Not applicable. The Town Council does not operate as a Trustee for any external body.	No Recommendations	N/A
Application of LG Spending Powers.	Good Practice	The Town Council is aware of it's responsibility to ensure that appropriate Local Government spending powers have been considered and correctly identified.	No Recommendations	N/A
Policies Review	Good Practice	The Financial Regulations and Standing Orders have had been recently approved/ratified by the council.	No Recommendations	N/A
List of Members Interests		Held by the Town Clerk.	No Recommendations	N/A
Review of Minutes	Good Practice	Review of minutes showed no unusual activity giving rise for concern. Declarations of Interest had been stated. All minutes were signed and consecutively numbered.	No Recommendations	N/A

Process	Criteria	Findings	Recommendations	Action Planned
Review of Internal audit action plan has been considered and actioned?	Good Practice	All of the recommendations made in the previous year 2020/21 have been actioned. Recommend that the lodgements and cheques are written back.	Completed	N/A

Process	Criteria	Findings	Recommendations	Action Planned
<p>External Audit recommendations have been considered and actioned.</p> <p>Qualifications made, if any have been addressed in 2020/21</p> <p>.</p>	<p>Good Practice</p>	<p>No recommendations were made in the previous year 2019/20.</p> <p>There were no qualifications to address.</p>	<p>No Recommendations</p> <p>No Recommendations</p>	<p>N/A</p> <p>N/A</p>

Process	Criteria	Findings	Recommendations	Action Planned
<p>Year End Procedures:</p> <p>Financial Statements</p> <p>Review</p>	<p>Primary Audit Requirements</p>	<p>1) All income has been recorded correctly, in particular Grant income has been correctly stated.</p> <p>2) All expenditure has been recorded correctly. Staff Costs have been shown separately from other admin costs.</p> <p>3) Debtors and Creditors have been correctly stated.</p>	<p>No Recommendations</p> <p>No Recommendations</p> <p>No Recommendations</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>
<p>Financial Statements</p> <p>Notes.</p>	<p>Primary Audit Requirements</p>	<p>1) Council balances have been correctly reported. The purpose of any Earmarked funds have been identified and explained in full.</p>	<p>No Recommendations</p>	<p>N/A</p>

Process	Annual Return Section	Findings	Recommendations	Action Planned
Financial Statements Notes.	Primary Audit Requirements	5) A summary of Assets held has been included.	No Recommendations	N/A
Analytical review	Primary Audit Requirements	The analytical review has been completed giving reasonable explanations to variances over 10%	No Recommendations	N/A
Annual return review	Primary Audit Requirements	<p>Part 1 of the Annual return is complete and accurate and reconciles to the statement of accounts. Correct declarations have been made.</p> <p>All other sections have been completed correctly with correct declarations made.</p>	No Recommendations	N/A

Internal Auditors Summary Report

Charlbury Town Council has an electorate in the region of 2,459 and the precept for 2021/22 was set at £106,096.

Overall, the Council has sound arrangements in place to satisfy itself that its systems of internal financial control are both adequate and effective. There are approval and authorisation controls and there is a clear audit and management trail for financial transactions.

**H J Hood FCCA LLb
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Chartered Certified Accountants
24th May 2022**