



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

31st December 2023

Dear Emma,

#### **Interim Audit Cover Letter**

An audit was carried out by Kevin Rose on Monday 18 December 2023. 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 Council's website.

The audit was undertaken using the standard IAC Audit Checklist, that we use for all Local Councils, which has 203 items. A total of 135 items were tested during this audit, including items that were examined and tested as part of the pre-audit process. The balance of 68 items will be checked during the Year End audit.

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)
- Payroll (Box G)
- Bank reconciliations (Box I)
- Accounting Statements (Box J)
- the Exercise of Public Rights (Box M)
- the Publication of the Annual Governance and Accountability Return (Box N)
- Trust Funds (Box O)

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Of the 119 applicable items tested a Positive response was obtained in respect of 118 tests. There was 1 Negative response 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	118
Negative response	1
Not Applicable to your Council	16
Total tests carried out	<b><u>135</u></b>

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,



Kevin Rose ACMA  
Director

**Okehampton Town Council  
Financial Year 2023-24**



**IAC Audit and Consultancy Ltd**

Audit date: 18 December 2023

**Interim 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	Response	Observation	Recommendation	Priority	Comments
1	Are bank signatory arrangements (the bank mandate) in accordance with Financial Regulations?	Yes	The Council has recently updated bank signatories, but has not received confirmation from banks as to the bank signatories that banks have on file.	The Council to obtain confirmation from bank of the updated approved signatories.	High	
2	Has the Council complied with the requirements of the Public Contract Regulations?	Yes	The Council has confirmed the award of a contract (Min ref 838), final contract sum £461,835.14 (Min Ref 426 27/11/2023). It was noted that the award of contract has not formally be posted on Contract Finder (it is understood that this will be done by the Councils consultant).	The Council to ensure that the award of the contract is formally posted on the Contracts Finder website.	Medium	

**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	Is income due on investments subject to regular check and verification? (Is investment performance regularly reported to Council?)	No	Income due on investments is not subject to a process of formal, regular, review. It was noted that the Council is earning significantly different interest on balances held at different banks/CCLA.	The Council should put in place arrangements for the regular review and reporting of investment performance. This review should be recorded in Minutes of the appropriate meeting.	High	

**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	Response	Observation	Recommendation	Priority	Comments
1	The Members allowances have been paid in accordance with approved rates	Yes	Councillors are reimbursed for expenses incurred. It was noted that the Council does not have a formal policy in place setting out what expenses may be reclaimed by Councillors. The Council does have a formal policy in place in respect of Staff Expenses.	The Council to put in place a formal policy for Councillors Expenses.	Medium	

