



## Internal Audit Report.

This audit report is to read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return.

Council:	Market Rasen Town Council
Internal Auditor:	Carl Thomas
Year Ending:	31/03/2023
Date of Report	30 <sup>th</sup> April 2023

Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the council through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council to detect error or fraud. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.

**The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.**

I have completed a thorough audit of Market Rasen Town Council primarily limited to systems and procedures and financial balancing. I have not undertaken an indepth audit of the accounts but would be happy to do so if required.

From what I have seen I do not consider that such an audit is necessary.

### **PREVIOUS AUDIT**

Following the audit report for the period 2021/22 purchases are now being made in accordance with the Financial Regulations, VAT reclaims have been brought up to date, various recommended policies have been introduced and risk management has increased significantly.

## **TRANSPARENCY**

All requirements are met.

## **ACCOUNTING**

The Council use Rialtas, a computerised system which produces easy to understand and comprehensive reports. The Clerk is comfortable with this system.

VAT claims have been made on a quarterly basis.

There have been no cash payments made. Cash receipts are taken and a cash handling policy is in place for such transactions.

Accounts are reported to the Finance Committee with bank reconciliations at least quarterly.

## **GOVERNANCE AND DUE PROCESS**

Agenda's correct and available.

Minutes correct and available.

There are a comprehensive set of Policies available which have been reviewed through the year.

Terms of Reference are available for all committee's.

List of Members Interests are available on the website and held by the Clerk.

Acceptance of Office Declarations are held by the Clerk.

Scheme of Delegation available under limited circumstances.

Fixed assets have been reviewed.

## **RISK MANAGEMENT**

No unusual activity identified within the minutes.

Insurance has been reviewed and appropriate.

The Risk Assessment/Policy is thorough and reviewed annually.

Bank balances are reported to meetings.

Section 137 payments have been made and reported correctly.

Bank mandate reviewed regularly.

Internal Control is reviewed annually against JPAG and documented.

The Clerk operates a cloud based backup system for files which is appropriate.

## **BUDGET**

Appropriate budget process completed in setting the precept.

Reserves adequate.

## **PAYROLL**

This is managed by an external provider. No areas of concern.

## **ASSET CONTROL**

Asset register has been reviewed.

## **BANK RECONCILIATIONS**

Within the accounting records there appears to be appropriate bank reconciliation reported at least quarterly to the Finance Committee.

## **YEAR END PROCEDURES**

No areas of concern.

Annual return correctly signed and submitted in previous year.

Notice of Public Rights correctly published.

## **SUMMARY**

The Council is well governed and complying with legislation. There are no areas of concern identified.

I'd also like to thank the Clerk and staff for the co-operation and supplying information required to complete the audit promptly.

Carl Thomas

30<sup>th</sup> April 2023

# Annual Internal Audit Report 2022/23

## Market Rasen Town Council

<https://market-rasen.parish.lincolnshire.gov.uk/>

ENTER FULLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2023, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2022/23 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
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.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
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 debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")</i>			✓
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.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set)</i> .	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	✓		
O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

06/12/2022 31/01/2023 30/04/2023

Name of person who carried out the internal audit

Carl Thomas ME OF INTERNAL AUDITOR

Signature of person who carried out the internal audit



SIGNATURE REQUIRED

Date

03/05/2023

\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).