

# Hungerford Town Council

## Financial Year 2022-23



IAC Audit and Consultancy Ltd

Audit date: 6 April 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 value of the Councils Fidelity Insurance covers the value of the Councils cash & bank holdings	<i>Insurance Commercial Crime limit is £500,000, bank balances as at date of year end audit visit are around £540,000</i>	The Council to review the level of its Fidelity insurance and consider whether it is adequate to cover the value of cash and bank balances held.	Medium	The maximum risk level has been assessed and the fidelity insurance has been increased to £750,000

**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 Council has reviewed any points raised by the External Auditor as required	<i>The Council has not formally noted the receipt of the External Auditors report (the auditor had not raised any issues in respect of 2021-22)</i>	The Council to ensure that, on an annual basis, it formally records a review of the External Auditors report in the Minutes of the relevant meeting.	Medium	This is on the Annual Full Council agenda to note. The meeting takes place on 15th May 2023.

**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	Observation	Recommendation	Priority	Comments
1	Salaries paid agree with those approved by the council	<p><i>It was noted that one member of staff had been overpaid and one member underpaid by the same amount since the computation of salaries in November 2022 after the confirmation of the pay award. This was due to the revised salaries being paid to the wrong staff.</i></p> <p><i>It was noted that the new pay rates computed were correct, as were arrears, so the total paid by the Council was correct. The amount over and under paid to the two staff members was agreed at £421.95 before tax.</i></p>	The Council should arrange to make payment to the staff member underpaid and consider recovery of the amount overpaid. The norm is that overpayments are recovered over the same period as the overpayment were made, in this instance 5 months	High	This has now been resolved. The payment has been made to the underpaid staff member and the overpayment has been recovered.

**O (For local councils only)  
Trust funds (including charitable) – The council met its responsibilities as a trustee**

No.	Audit Test	Observation	Recommendation	Priority	Comments
1	Trust income and expenditure has been transacted through a separate bank account in the name of the Trust and has not been recorded in Councils accounts	<p><i>It was noted that the Council records both income and expenditure in relation to the Mayor's Charity as income and expenditure of the Council. Income is credited to nominal code 1126 and expenditure to code 4008. In the 2022-23 financial year the total income and expenditure were both £297.15.</i></p>	<p>The Council should note that income and expenditure in relation to Mayor's Charities should not be recorded as income and expenditure of the Council.</p> <p>In future these transactions should be recorded through a Balance Sheet nominal code (probably in the 500 series). At the end of each financial year the transactions on this code should be subject to formal review and approval by the Mayor and submitted to Council for information.</p>	Medium	This has been noted and the recommended process will be adhered to.