

**STALBRIDGE TOWN COUNCIL – INTERNAL AUDIT 2021/2022  
INTERNAL AUDITOR’S REPORT**

Preamble

The Practitioner’s Guide states in Section 4, relating to the appointment of an internal auditor, under the heading ‘Engagement’

*4.13 Every authority should ensure that they have a letter of engagement which would normally include:*

- *roles and responsibilities*
- *audit planning and timing of visits*
- *reporting requirements*
- *rights to access to information, members and officers*
- *period of engagement*
- *remuneration*
- *any other matters required for the management of the engagement by the authority*

*4.14. Most internal auditors will have professional indemnity insurance cover which Provides both the authority and the person or firm engaged, with protection and assurance.*

For clarity, I would like to point out that I have not received a ‘letter of engagement’ and I do not have professional indemnity insurance. I was appointed at the Stalbridge Town Council meeting on 16.03.22, and have conducted an internal audit, based on the JPAG Practitioners Guide March 2021, Section 4 *Best Practice Guidance for Internal Audit* (pp 23-32). The Internal Audit Checklist (4.19) covers pages 25-32.

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Please find below some notes and comments following the internal audit undertaken for the year 2021/22, and referencing the Guide, which I hope will be useful.

**1. General observations**

- a. Whilst researching during the Audit, it was noticed that previous years’ returns had apparently been based on an out-of-date Practitioners Guide (2008). Recommendation: that the TC satisfies itself that the Internal Auditor has access to the current guide.
- b. The JPAG Guidance recommends that internal audits are undertaken on occasions throughout the year. The internal auditor should be independent, see 4.9 of current Guide:  
*It means that whoever carries out the internal audit role does not have any involvement in, or responsibility for, the financial decision making, management or control of the authority, or for the authority’s financial controls and procedures.*

It was noticed from the minutes that councillors have been appointed as 'TC auditors'.

Recommendation: that in future any ad hoc checking throughout the year should be undertaken by the appointed Internal Auditor (note three blank dates on AGAR Form, page 4), **or** the title of the councillor(s) undertaking the checking is changed (e.g. account monitor)

- c. The inventory (*New inventory – 2021*) and some other documents may not have been uploaded correctly, for example the inventory does not show 'Condition' reports completed for items 1-32 inc (pages 1 and 2)

## 2. Financial Regulations

- a. Test 3b. ..Service above *de minimis*. Financial year 21/22: the payment of £585 to MG Services was approved at TC Meeting on 16.09.21(PN145)  
Financial year 20/21: An amount of £745 was paid to MG Services, in September 2020, following a successful tender for the work on the Hub Garden, as referenced in a works order, dated 22.09.20, quoting the amount of £745.00.

Was this an annual contract/agreement?

Recommendation: that in future the 'term of contract/agreement' is made clear, and referenced, for large payments other than those payable monthly.

## 3. Risk Management (for noting)

- a. Test 4a. The risk assessment provided via the link on [the website](#) is not that which was provided for the meeting on 16<sup>th</sup> February 22, which was accessed via the TC summons for that date. However the [latter](#) had the incorrect years in the file name.

Signed ..... Date .....

Mrs Jan Wardell, Internal Auditor  
Appointed March 2022 (STC minutes 16.03.22 item 13)