

Caistor Town Council  
Statement of Accounts for 2020/21

Internal Audit Report  
19/5/21

This report is a result of a full substantive internal audit into the accounts and financial controls undertaken by Caistor Town Council. The audit took place on the 19/5/21 at 28 Queen Street, Market Rasen.

As in previous years the affairs of the authority were reviewed, and the accounts of the authority assessed using standard accounting procedures.

Last year several areas of concern were raised by the audit and these resulted in reviews by the authority into the financial affairs of the authority and the actions of the clerk. The clerk was replaced during 20/21. We report on the accounts of the authority after the replacement clerk and RFO have investigated the records of the previous clerk and corrected the records.

#### Appropriate accounting records

Last year our audit concluded that the clerk has not kept the records in an acceptable manner. The authority began to use a computerised system to record their affairs and this proved problematical. This year the records are much improved with only a few miscoding errors.

#### Financial regulations

Last year we reported that the clerk has been allowed to operate outside of normal regulations and the lack of control over his activities was evident in several areas. Following the review the authority has shown the regulations are now being properly applied.

#### VAT

The audit for the previous year highlighted that the VAT for 2018/19 had not been reclaimed from HMRC. Last year that VAT was claimed and the VAT for 2018/19 and also claimed for part of 2019/20. This year a claim has been made for the remainder of 2019/20 but the amounts show an underclaim of £1344 over the three years. We were unable to obtain details of what has been claimed to check to the authority record in detail. We recommend the authority obtains the details from HMRC and the amount claimed.

#### Salary

The audit found that the salary to the clerk was not as expected. This is a carry on from the report from last year and ends with the change in clerk. The matter was in the hands of the police at the time of the audit. The audit last year highlighted a problem with pension payments made to the clerk. The investigation has led to a refund of part of the payments leaving £873 as still due.

The previous audits highlighted excess payments being made to HMRC for PAYE and this continued into this year. The problem at HMRC is a duplication of the records and so until this is corrected HMRC will

not return the funds. The new clerk has continued to pay HMRC even though the authority has overpaid in the past. Our advice to stop payments until the matter is corrected was ignored.

#### Conclusion

We find the authority has made improvements over the year and all financial areas excepting those dealing with HMRC are now running correctly.

Cassells Limited  
19/5/21