



Marcus Prouse
Charter Trustees for Taunton
% Somerset West and Taunton Council
The Deane House
Belvedere Road
Taunton
TA1 1HE

25th June 2021

Dear Marcus,

Further to my Internal Audit of the Charter Trustees in respect of the 2021 Annual Return, I am submitting my report and observations to the Trustees. As you will notice from the attached Internal Audit Report it was unfortunately necessary to issue a negative response in respect of Control Objective C;

Control Objective C

“This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.”

Reason for the negative response Control Objective C

The Practitioners Guide sets out that a Smaller Authority “..needs to identify, assess and record risks..” and that “Having identified, assessed and recorded the risks, the authority needs to address them by ensuring that appropriate measures are in place to mitigate and manage risk.”

The normal practice by which a Smaller Authority will meet the requirements of the Practitioners Guide is for the Trustees to maintain a risk register and for this register to be subject to review by Trustees on an annual basis.

From the records available, there is no evidence that the Trustees have undertaken such a review.

Implications in respect of the Annual Return

As previously advised it will be necessary for a negative response to be entered on the Internal Audit Report. In addition, the Trustees will also have to return a negative response in respect of Assertion 5 of the Annual Governance Statement.

It is highly likely that this issue will be subject to further query by the External Auditor and it would be helpful in that regard if the Trustees were to properly Minute a discussion of a review of this issue and to include an explanatory letter when submitting the Annual Return.

The Trustees will also need to consider what response they will give in respect of Assertion 6 of the Annual Governance Statement in respect of the failure to appoint an internal auditor during the 2020-21 financial year.

In addition to the Negative Response on the Internal Audit Report we have also responded 'Not Covered' in respect of the Control Objectives F, I, K, L and O and we are required to explain why we have done this.

- We have responded 'Not Covered' in response to Objective F as we understand that the Trustees do not maintain a Petty Cash.
- We have responded 'Not Covered' in response to Objective F as we understand that the Trustees do not maintain a bank account.
- We have responded 'Not Covered' in response to Objective K is that it is not applicable as you did not certify yourself as exempt from External Audit.
- We have responded 'Not Covered' in response to Objective L is that it is not applicable as your 'annual turnover' exceeds £25,000.
- We have responded 'Not Covered' in response to Objective O as we understand that the Trustees do not act as Sole Managing Trustee.

In addition to this letter and the statutory Internal Audit Report I have also submitted our Internal Audit Observations and Summary to you by email. I would be grateful if you could bring all of these to the Trustees attention in due course.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'K. Rose'.

Kevin Rose ACMA
Director