



HUDSON ACCOUNTING LTD.
INTERIM INTERNAL AUDIT REPORT:
TO THE MEMBERS OF SALTASH TOWN COUNCIL
YEAR ENDED 31ST MARCH 2025.

ISSUE DATE: 03/12/2024
ISSUED TO: TOWN CLERK

INTRODUCTION:

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

Scope:

The scope of the audit covers, as a minimum, the areas included in the Internal Audit Report contained in the Annual Governance & Accountability Return.

Any areas not covered at this interim stage will be included later in the year or during the final audit activity.

Approach:

Audit work is carried out in line with the Chartered Institute of Public Finance and Accountancy's Internal Audit Standards and guidance issued by the National Association of Local Councils.

Where applicable we have included reference to 'proper practice' and the associated guidance as laid out in 'Governance & Accountability for Smaller Authorities in England' which is applicable to financial years from 1st April 2024.

Selective testing was carried out and the relevant policies, procedures and controls were reviewed.

GENERAL COMMENTS:

We would like to thank the staff for their assistance and co-operation during the audit.

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

It should be noted that assurance can never be absolute. The most that the internal audit service can provide is a reasonable assurance that there are no major weaknesses in risk management, governance, and control processes. The audit does not guarantee that the accounting records are free from fraud or error.

AUDIT COMMENTARY:

Previous Recommendations

There are no previous recommendations requiring action.

Accounting Records

The accounts are maintained on Xero accounting software; they were up to date and appear free from material errors.

Financial Regulations

Financial Regulations were last reviewed in August 2024 and incorporate the new model documentation provided by NALC.

Payments

A sample of payments was tested to establish whether the spending decision, procurement process, certification and approval for payment were in line with Financial Regulations as well as ensuring that payments were supported by invoices, VAT was correctly accounted for, and payment controls were applied.

Purchasing

A scheme of delegation is in place and purchase orders are used.

Procurement

Procurement activity is undertaken in line with Financial Regulations.

Payments

Payments are supported by invoices and are accurately input into the accounting system including the correct treatment of VAT.

Payment controls are exercised electronically and are consistently applied.

Risk

Risk Assessment

The Council reviewed its risk assessments and policies and undertook a review of the effectiveness of its internal controls in May 2024.

Insurance

Statutory insurances are in place and the Fidelity Guarantee is adequate at £5 million.

Investments

An Investment Strategy covering the 2024/25 financial year was adopted in May 2024.

Budgets

Setting

We reviewed the 2024/25 budget setting process as part of our final audit work last year and we will review the 2025/26 process later in the year.

Monitoring

Budget monitoring reports are provided to each committee meeting.

Income

Systems were tested to ensure that suitable controls are in place to ensure that all income is received in a timely manner, that charges are correctly applied and that any cash received is promptly receipted and banked.

Precept

The precept received is in accord with that set by the Council.

Burials

Burial income is charged in accordance with the approved scale of charges including the surcharge for non-residents.

Allotments

Tenancies at Fairmead Road were traced from the master list to the Ledger – all was in order.

VAT

VAT claims are up to date.

Room Hire

A booking system is in place and hirers are invoiced. Fees are accurately applied and an adequate system to ensure payment is in place.

Library

Income is controlled via a till with postings made to the Ledger on a monthly basis. Testing of May and June's income revealed no issues to report.

Moorings

Mooring fees are invoiced in line with the approved fees and testing revealed no issues to report.

Payroll

New Starters

A new employee has been issued a contract of employment and has been paid in accordance with the Terms therein.

Tax, NI & Pensions

PAYE and pension requirements have been met.

Pay Award

The national pay award had not been implemented at the time of the audit and further testing will be undertaken later in the year.

Bank Reconciliation

Monthly bank reconciliations are carried out in a timely manner by the Finance Officer and were found to be accurate.

They are reviewed by the RFO and by a Member in line with Financial Regulations.

Electors Rights

Full Council properly approved the 2023/24 AGAR.

The opportunity for electors to examine the accounts was properly advertised and the publication requirements in respect of the 2023/24 accounts have been met.