



HUDSON ACCOUNTING LTD.  
INTERIM INTERNAL AUDIT REPORT:  
TO THE MEMBERS OF SALTASH TOWN COUNCIL  
YEAR ENDED 31ST MARCH 2026.

ISSUE DATE: 04/11/2025  
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 1<sup>st</sup> April 2025.

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.

We have provided a table of audit recommendations, where required to allow for the Council's response which can be used as an ongoing monitoring tool. We would be grateful if, in due course, it is completed and returned to us.

## 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 April 2025.

### 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*

Testing revealed that controls are consistently applied and that input into the accounting system is accurate.

### Risk

#### *Risk Assessment*

The council reviewed its risk management arrangements along with a review of the effectiveness of internal controls and internal audit in April 2025.

#### *Insurance*

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

#### *Investments*

An Investment Strategy covering the 2025/26 financial year was adopted in April 2025.

### Budgets

#### *Setting*

We reviewed the 2025/26 budget setting process as part of our final audit work last year and we will review the 2026/27 process later in the year.

#### *Monitoring*

Budget monitoring reports are regularly provided to Members.

### 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 fees are accurately applied and the relevant paperwork in respect of Memorials and Exclusive Rights of Burial is issued.

#### *Allotments*

**Tenants are invoiced in line with the agreed fees and adequate arrangements are in place to ensure payment.**

#### *VAT*

**VAT claims are up to date.**

#### *Moorings*

**Mooring income has been correctly invoiced, including the discount for the period where the pontoon was under refurbishment.**

### **Payroll**

#### *New Starters*

**New employees have been issued contracts of employment and have been paid in accordance with the Terms therein.**

#### *Tax, NI & Pensions*

**The September payroll was tested with no issues to report.**

#### *Increments & other changes*

**Changes in employee terms and conditions have been approved by Members and were accurately applied.**

#### *Pay Award*

**The national pay award has been accurately implemented.**

### **Bank Reconciliation**

**Monthly bank reconciliations are carried out accurately and in a timely manner. They are reviewed by the Town Clerk and the Chairman of the Finance Committee.**

### **Electors Rights**

**Full Council properly approved the 2024/25 AGAR.**

**The opportunity for electors to examine the accounts was properly advertised and the publication requirements in respect of the 2024/25 accounts have been met.**