

HUDSON ACCOUNTING LTD.
INTERIM INTERNAL AUDIT REPORT:
TO THE MEMBERS OF SALTASH TOWN COUNCIL
YEAR ENDED 31ST MARCH 2027.

ISSUE DATE: 30/10/2026.
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.

A**pproach:**
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 2026.

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 2025 and are subject to review as part of a coordinated Council wide policy review assisted by CALC.

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.

Payments

Testing revealed that payments are supported by invoices and are accurately input into the accounting system, including the treatment of VAT

The relevant controls are consistently applied.

Risk

Risk Assessment

The Council has yet to review its risk rate management arrangements in this financial year, it forms part the policy review mentioned above.

Insurance

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

Investments

The Investment Strategy will be reviewed as part of the policy review previously mentioned.

Budgets

Setting

We reviewed the 2026/27 budget setting process as part of our final audit work last year and we will review the 2027/28 process later in the year.

Monitoring

Monitoring reports are taken 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.

Library

Income in July was tested; There are no issues to report.

Allotments

Income at the Grenfell site was tested; tenants were invoiced in line with approved charges and adequate arrangements are in place to ensure payment.

VAT

VAT claims are up to date.

Room Hire

Fees are levied in line with the approved scale of charges.

Invoices are raised and VAT is correctly treated; there are adequate arrangements in place to ensure payment.

Payroll

New Starters

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

Re-gradings

Changes in employee terms and conditions including annual increments have been accurately implemented.

Tax, NI & Pensions

The September payroll was tested with no issues to report.

Pay Award

The month tested did not include the national pay award, this will therefore be tested at the year end.

Bank Reconciliation

Monthly bank reconciliations are carried out in a timely and accurate manner and are reviewed in accordance with Financial Regulations.

Electors Rights

Full Council properly approved the 2025/26 AGAR.

The opportunity for electors to examine the accounts was properly advertised and the publication requirements in respect of the 2025/26 accounts have been met.