



HUDSON ACCOUNTING LTD.
INTERIM INTERNAL AUDIT REPORT:
TO THE MEMBERS OF SALTASH TOWN COUNCIL
YEAR ENDED 31ST MARCH 2023.

ISSUE DATE: 11/11/2022
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 2022.

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 that 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 appeared free from material errors.

Financial Regulations

Financial Regulations were last reviewed in June 2022.

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 in use.

Procurement

A sample of contracts was reviewed to ascertain compliance with financial regulations. All was found to be in order.

Payment

Payments are supported by invoices and all payment controls are consistently applied.

Payment methods

The primary payment method is internet banking where adequate separation of duties is employed.

The Council's credit card is operated within the requirements of Financial Regulations.

Risk

Risk Assessment

The review move the Councils risk management arrangements is scheduled for February 2023.

Insurance

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

Investments

An Investment Strategy covering the 2022/23 financial year is in place.

Budgets

Setting

We reviewed the 2022/23 budget setting process as part of our final audit work last year and we review the 2023/24 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 testing revealed no issues to report.

Room Hire

A booking system is in place and fees were found to have been correctly applied. VAT and not been applied to several invoices for Isambard House in October; this has now been corrected.

Allotments

Transaction relating to Grenfell Avenue were tested. A register is in place and tenants have been correctly invoiced.

Library

Ledger entries were checked to till totals and there are no issues to report.

Pontoons

Testing of income relating to the pontoons found no issues to report.

VAT

VAT claims are up to date.

Payroll

New Starters

New employees have been issued with contracts of employment and have been paid in accordance with them.

Re-gradings

Changes in employee's terms and conditions have been approved by Members and accurately implemented.

Tax, NI & Pensions

PAYE and pension provisions have been met.

Bank Reconciliation

Bank reconciliations are carried out monthly and are reported to Members. In addition they are reviewed by the Town Clerk and the Chair of the Policy & Finance Committee.

The latest reconciliations were found to be accurate with no old unrepresented payments.

Electors Rights

Full Council properly approved the 2021/22 AGAR.

The opportunity for electors to examine the accounts was properly advertised and the publication requirements in respect of the 2021/22 accounts have been met.