



HUDSON ACCOUNTING LTD.
INTERIM INTERNAL AUDIT REPORT:
TO THE MEMBERS OF SALTASH TOWN COUNCIL
YEAR ENDED 31ST MARCH 2024.

ISSUE DATE: 30/10/2023
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 2023.

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 was completed and returned to us.

AUDIT COMMENTARY:

Previous Recommendations

There are no outstanding recommendations.

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 May 2023.

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

Purchase orders are used and are stored electronically on the Zahara document management system

Procurement

Procurement activity has been carried out in line with Financial Regulations.

Payments

The payments tested were all supported by invoices and had gone through the required approval protocols.

VAT had been accurately recorded.

Risk

Risk Assessment

The Council reviewed its risk management policies, risk assessment and the effectiveness of internal controls in May 2023.

Insurance

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

The insurance schedule was cross referenced to the asset register and there are no obvious omissions.

Investments

An investment Strategy covering the current year was adopted in May 2023.

Budgets

Setting

We reviewed the 2023/24 budget setting process as part of our final audit work last year and we will review the 2024/25 process later in the year.

Monitoring

Budget 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.

Burials

Burial fees were accurately applied and the appropriate documentation was issued.

Allotments

Allotments are currently controlled by way of a spreadsheet, however, software has been purchased to be used from next year.

All fees have been correctly invoiced and only £25 remains to be collected.

Library

Library income is controlled via a till which is regularly reconciled and banked. Tracing income to the ledger was straightforward.

VAT

VAT claims are up to date.

Room Hire

Income is invoiced in line with the agreed scale of charges there are no issues to report other than VAT was omitted from one invoice, this has now been corrected.

Payroll

New Starters

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

Re-gradings

Incremental and other changes have been approved by Members and were accurately implemented.

Tax, NI & Pensions

PAYE and pension requirements have been met.

Pay Award

The national pay award has yet to be agreed.

Bank Reconciliation

Bank reconciliations, on all accounts, are undertaken on a monthly basis and are reviewed by the RFO and a Member. They are also reported to the Policy & Finance Committee.

The most recent reconciliations were found to be accurate.

Electors Rights

Full Council properly approved the 2022/23 AGAR.

The opportunity for electors to examine the accounts was properly advertised and the publication requirements in respect of the 2022/23 accounts have been met.