



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

ISSUE DATE: 08/11/2024  
ISSUED TO: TOWN CLERK & RFO

**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 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 RBS accounting software, they were up to date and appeared free from material errors.

### Financial Regulations

Financial Regulations were last reviewed in May 2024 and now incorporate the latest model documentation produced 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 managed via a spreadsheet.

#### *Payments*

Testing showed that payments are supported by invoices and have been accurately input into the accounting system including proper treatment of VAT.

Invoices are certified by the RFO prior to their inclusion on schedules approved by Members as required by Financial Regulations.

Invoices are filed numerically which makes the audit process straightforward.

### Risk

#### *Risk Assessment*

The Council reviewed its risk assessment and undertook a review of the effectiveness of its internal controls in April 2024.

#### *Insurance*

Statutory insurances are in place and the Fidelity Guarantee is adequate at £1 million.

#### *Investments*

An Investment Strategy covering the 2024/25 financial year has been adopted.

### 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 taken to every Committee and Council 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.

#### *Room Hire*

Hirers are invoiced and testing revealed that fees are accurately applied and that VAT is charged when appropriate.

**Adequate procedures are in place to ensure payment.**

*TIC*

**The TIC till is balanced daily with most income coming by way of credit card. Cash is bank monthly.**

**Testing revealed no issues to report.**

*VAT*

**VAT claims are up to date.**

*Leased property*

**Shop rents have been invoiced in accordance with the Agreements in place including the new tenancy which started in June.**

## **Payroll**

*Payroll*

**Testing of the October payroll revealed no issues to report.**

*Tax, NI & Pensions*

**PAYE and pension requirements have been met.**

*Pay Award*

**The national pay award has yet to be implemented and we will conduct further testing later in the year.**

## **Bank Reconciliation**

**Monthly bank reconciliations have been carried out in a timely manner and were found to be accurate.**

*A Member should review and sign the bank reconciliations at least quarterly to ensure compliance with Financial Regulation 2.6.*

## **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.**