FINAL

Internal audit report 2024/25

Visit 3 of 3

HAYDON WICK PARISH COUNCIL

Date: 15th May 2025

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Introduction

This report contains a note of the audit recommendations made to Haydon Wick Parish Council following the carrying out of internal audit testing carried out remotely on 4th May 2025.

The audit work has been carried out in accordance with Appendix 9 of the 2014 'Governance and Accountability for Local Councils: A Practitioners' Guide', as amended to include additional tests required by later versions of the AGAR.

An internal audit covers the review of the operation of the Council's internal control environment. It is not designed to review and give full assurance over every transaction carried out by the Council. Instead it enables the auditor, following the sample testing of a number of different types of transaction, to give an opinion as to whether or not the control objectives are being achieved across a range of financial and governance systems.

Audit Opinion

The internal audit for 2024/25 has now been completed in accordance with the provisions of the Practitioners' Guide and the CIPFA code of internal audit practice.

Based on the sample testing carried out at this final audit visit and during the year, all of the Council's current financial controls reviewed during the testing appear to be operating effectively with the exception of:

<u>Internal Control C: Risk Management</u>
The Council is required to carry out a risk assessment annually (Accounts and Audit Regulations 2015. The regulations require that the council meeting as a whole has to review their system of internal control including risk management (s.3c and s.6), although it permits the Council to consider the findings of a review carried out by a committee (s.6).

I checked to see that the minutes record the Council carrying out an annual risk assessment in the financial year. I found that the 23/24 assessment was carried out at the Council meeting on 12/12/23, but that the 24/25 review was not carried out until 22/04/25. This means that no review happened during the 24/25 financial year. As a result, I have responded 'no' to this test.

Audit Recommendations

Recommendations made during the audit are shown in appendix one to this report.

Recommendations are graded as follows:

Rating	Significance
High	Either a critical business risk is not being adequately addressed or there is substantial non-conformity with regulations and accepted standards.
Medium	Either a key business risk is not being adequately addressed or there is a degree of non-conformity with regulations and accepted standards.
Low	Either minor non-conformity with procedure or opportunity to improve working practices further.

The number of recommendations made at this audit visit and their priority are summarised in the following table:

Rating	Number
High	1
Medium	0
Low	0
Information	1
TOTAL	2

The number of recommendations made at all of the audit visits in 2024/25 and their priorities are summarised in the following table:

Rating	Number			
	Visit 1	Visit 2	Visit 3	TOTAL
High	0	0	1	1
Medium	3	1	0	4
Low	1	2	0	3
Information	0	0	1	1
TOTAL	4	3	2	9

I would like to thank Georgina Morgan-Denn, Chief Officer/Clerk and RFO; Laura Cutter, Deputy Town Clerk/RFO; Jodie Smart, Smart Public Finance; and Kendel Pyne, Accounts Assistant for their assistance during this audit.

Appendix 1 – Recommendations and Action Plan

Recommendation number	Detail	Priority (Low/ Medium / High)	Management Response	Responsible Officer	Due Date
3.2 – Ensure risk assessment is carried out each financial year	The Council is required to carry out a risk assessment annually (Accounts and Audit Regulations 2015. The regulations require that the council meeting as a whole has to review their system of internal control including risk management (s.3c and s.6), although it permits the Council to consider the findings of a review carried out by a committee (s.6). I checked to see that the minutes record the Council carrying out an annual risk assessment in the financial year. I found that the 23/24 assessment was carried out at the Council meeting on 12/12/23, but that the 24/25 review was not carried out until 22/04/25. This means that no review happened during the 24/25 financial year. As a result, I have responded 'no' to this test. I recommend that a list of annual Council business is drawn up which includes the review in order to ensure that a review is carried out within each financial year. This will help to ensure compliance with statutory requirements.	H	We will make sure that this is done each financial year in future. Note that the 25/26 assessment has already been carried out.		

10.1 – Unadjusted errors	The following errors were unadjusted in the AGAR and detailed financial statements: 1. Prepayments was overstated and other payments understated by £2.3k relating to recruitment costs, for which the related service was wholly received in 24/25. 2. I was unable to reconcile the sample energy accruals to the related invoices. According to my calculations, accruals and other payments were understated by £5 (which is not material to creditors or other payments) relating to gas and electric suppliers.	Info	Noted.		