Annual Internal Audit Report 2024/25

CENTRAL SWINDON NORTH PARISH COUNCIL

www.centralswindonnorth-pc.gov.uk

During the financial year ended 31 March 2025, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2024/25 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for. *		✓	
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for. *		✓	
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	N/A		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. **If** the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt. *(If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")*			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations *(during the 2024-25 AGAR period, were public rights in relation to the 2023-24 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).* *		✓	
N. The authority has complied with the publication requirements for 2023/24 AGAR *(see AGAR Page 1 Guidance Notes).* *		✓	

O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken * PLS SEE ATTACHED NOTE

28/01/2025
29/01/2025 08/04/2025 06/06/2025

Name of person who carried out the internal audit

Mrs R Darkin-Miller LLB(Hons) BFP FCA

Signature of person who carried out the internal audit

Date 23/06/2025

***If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).**

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Internal Auditor note on Test B: Payments

I found that there was no evidence of authorisation prior to payment for 28% of the 58 samples tested. I found that, following a decision by Members in the year, no payments were minuted for approval by Council or Committee, which is a breach of the Council's Financial Regulations. I noted that an error in the Financial Regulations regarding procurement thresholds (where there is a general requirement of 'best value' for procurements under the lowest threshold) still refers to the requirements for making a direct award after an audit recommendation was made in 22/23. I found that, whilst the Council's Terms of Reference restrict maintenance of the Council's Financial Regulations and Standing Orders to the Council, and following the raising of an audit recommendation for the same matter in 23/24, one of the Council's Committees continued to approve or adopt both documents during the financial year. As a result, I have responded 'no' to this test.

Internal Auditor note on Test E: Income

The Council opened the Moredon Sports Hub in the year. I sought to test samples from the four highest value MSH codes: 1600 Football pitch hire, 1610 Cycle track, 1620 BMX pump track and 1730 Café income. Year-end income from these four sources amounted to £176k, 91% of total income from the Sports Hub for 24/25 and 12% of total other income on the Council's annual accounts. I was able to satisfactorily complete the testing for the pump track sample, but unable to carry out the testing for the remaining income streams as staff were unable to provide the detailed records and reconciliations to cash, card and debtor income required to gain assurance that income was properly recorded, promptly banked, properly coded, and that VAT had been treated correctly. In the absence of such records the Council has no ability to prove that it has received all funds due. Note that it is not uncommon for Councils where large services have transferred in from the unitary authority to not have fully developed systems in place from the start of service provision, which leads to an inability for the auditor to give assurance over income systems in the first year of trading. As a result of the lack of detailed records and reconciliations for the new hub, I have responded 'no' to this test on the 24/25 AIAR.

Internal Auditor note on test M: Public Rights

As a result of failing to approve the AGAR on or before 30/06/24, the Council has failed on its public rights and publications tests for the 24/25 financial year. The public rights period, whilst in theory being set for the correct period of time and including the first ten working days in July 2024, started on 01/07/24. The public rights period cannot actually start until after the accounts had been approved by Council. Consequently, the rights period dates were invalid. As a result, I have responded 'no' to this test on the 24/25 AIAR.

Internal Auditor note on test N: Publication

I checked to see that the Council had complied with the publication requirements. In addition to the finding at recommendation 13.1, I found that the Council did not publish ss1-3 of the audited AGAR and notice of conclusion until 02/10/24, as the email from the external auditor was sent to a staff member who was on leave. I also noted that the external auditor submitted an interim report, which was published on 02/10/24, but that the final report was only published on 03/04/25. As a result, I have responded 'no' to this test on the 24/25 AIAR.

R Darkin-Miller LLB (Hons) BFP FCA 23/06/2025