








PENZANCE COUNCIL – 13 JANUARY 2025

REPORT FOR DECISION

INTERIM INTERNAL AUDIT REPORT 2024/25

Our Culture	Our Decision Making	Our Environment	Our Money	Our People	Our Places	Our Resilience & Wellbeing
						
	✓		✓			

Recommendation

The Interim Internal Audit Report for the financial year 2024/25, as set out at Appendix 1 to this report, be approved.

Background

The Council is subject to an accounting and reporting regime of limited assurance as set out in the Accounts and Audit Regulations 2015. These regulations apply to every local authority in England with an annual turnover up to £6.5 million.

The interim internal audit report is a check the internal auditor does partway through the financial year, before the final report is completed at the end of the financial year as part of the annual governance and accountability (AGAR) report.

Responses to Auditor Comments

There were no recommendations that needed actioning from the previous audit and no new recommendations from this audit, therefore no action is required at this time.

Appendix 1 – Interim Internal Audit Report 2024/25

Cameron Sil
Responsible Finance Officer



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

ISSUE DATE: 13/12/2024
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 1st 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 AdvantEdge accounting software, they were up to date and appear free from material errors.

Financial Regulations

Financial Regulations were last reviewed in July 2024 and incorporate the new model documentation issued 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 'issued and approved' through the accounting system.

Payments

Payments are supported by invoices and are accurately input into the accounting system.

The ordering an authorisation process was traced through the accounting system for larger payments made in May and June; all was in order.

Risk

Risk Assessment

The Council has reviewed its Risk Strategy and Risk Register.

A review of the effectiveness of internal controls was carried out in May

Insurance

Statutory insurances are in place and the Fidelity Guarantee is adequate at £4 million.

Investments

An Investment Strategy covering the 2024/25 financial year was adopted in May 2024.

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

Regular budget monitoring reports are provided to Members.

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.

Penlee House

Control is exercised via a till which is balanced daily. The associated paperwork is maintained in a way that makes tracing transactions to Ledger straightforward.

Leased property

Tenants are invoiced in line with the Agreements in place; the Tennis Club inflationary increase was correctly calculated.

Orangery

The tenant has been charged in accordance with the Agreement in place.

VAT

VAT claims are up to date.

Payroll

New Starters

A new employee has been issued with a contract of employment and has been paid in accordance with the Terms therein.

Re-gradings

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

Tax, NI & Pensions

PAYE and pension requirements have been met.

Pay Award

The national pay award has been accurately implemented as has the calculation of the associated back-pay.

Bank Reconciliation

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

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.