

Northam Town Council

Financial Year 2024-25



IAC Audit and Consultancy Ltd

Audit date: 25 April 2025

Year End Internal Audit Observations

C This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The Council, as a body, has undertaken a formal review of risk (this cannot be delegated to sub-committee) - Year End Audit	No	<i>The Council, as a body, has not formally Minuted a review of Risk during the Financial Year.</i>	It is a requirement of the Annual Governance Statement, as well as the Annual Internal Audit Report, that the Council has undertaken a review of Risk. As no such review has been confirmed in Council Minutes the Council must record a Negative response for Assertion 5 of the Annual Governance Statement. It will also be necessary for the Internal Auditor to give a Negative Response for Internal Control Objective C on the Annual Internal Audit Report.	Non Compliance	
2	The Council, meeting as a whole, has reviewed the effectiveness of its internal control system as required by Regulation 6 of the Accounts and Audit Regulations 2015	No	<i>The Council has not reviewed the effectiveness of its internal control system as required by Regulation 6 of the Accounts and Audit Regulations 2015.</i>	Council to note the requirement for it to regularly review its internal control system.	High	

D The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The Council has reviewed any points raised by the External Auditor as required	No	<i>From a review of Minutes it was not possible to verify that the Council has reviewed the report of the External Auditor</i>	The Council to ensure that, on an annual basis, it formally records a review of the External Auditors report in the Minutes of the relevant meeting.	Medium	

H *Asset and investments registers were complete and accurate and properly maintained.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The asset register has been subject to review by Council	No	<i>The asset register has not been subject to review by Council</i>	The Council should formally review the asset register each year prior to the approval of the Accounting Statements	Medium	

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.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Audit Extended Trial Balance agrees to draft Accounting Statements	No	<i>There was some initial difficulty in reconciling the internal audit AGAR computation with the report from the SCRIBE system. This was identified as relating to the incorrect classification of pension costs on SCRIBE as a Box 6 cost, and the posting to fees from the payroll provider to Staff Cost. These were subsequently amended by the Town Clerk.</i>	Council to note.	Low	
2	Prior year numbers reported on this years Accounting Statements agree to prior year Accounting Statements	No	<i>It was noted that the prior year audited Accounting Statement values differ from those on the SCRIBE system and the internal auditors schedule. It is understood that the 2024 values will be restated for the 2024/25 Annual Accounting Statement.</i>	The Council to ensure that the prior year values are restated and agree to the SCRIBE system values.	High	