



Guy Langton
Town Clerk
Northam Town Council
Town Hall
Windmill Lane
Northam
EX39 1BY

18th June 2025

Dear Guy,

Year End Internal Audit Report

An audit was carried out by Kevin Rose on Friday 25 April 2025. This was the Year End audit following on from the interim audit carried out on 2 October 2024.

The audit was undertaken using the standard IAC Audit Checklist, which we use for all Local Councils, which has 208 items. A total of 96 items were tested during this audit in addition to the 112 items tested and checked during the interim audit process. All items on the checklists were tested during the year.

The following 'Internal Control Objectives' of the Annual Internal Audit Report (part of the AGAR) were checked and confirmed as being Not Applicable to your Council for this financial year.

-Exemption from External Audit (Box K)

-the Transparency Code (for Smaller Authorities) (Box L)

(Please refer to the explanation of my 'Not Covered' responses on Page 3)

Areas subject to audit were;

- the Payment system (Box B)
- Risk and insurance (Box C)
- Budget and precept setting and monitoring (Box D)
- Income billing, collection and VAT (Box E)
- Payroll(Box G)
- Assets and investments (Box H)
- Bank reconciliations (Box I)
- Accounting Statements (Box J)
- Trust Funds (Box O)

Summary of tests undertaken during this audit

Positive response	68
Negative response	6
Not Applicable to your Council	22
Total tests carried out	<u>96</u>

Of the 74 applicable items tested a Positive response was obtained in respect of 68 tests. There were 6 Negative responses identified and 6 Observations were made, details of which are set out in the attached Year End Internal Audit Observations.

Summary of tests undertaken for the financial year (including interim audit work)

Positive response	168
Negative response	12
Not Applicable to your Council	28
Total tests carried out	<u>208</u>
Tests not carried out	Nil

Unfortunately there was 1 Non-Compliance identified during the year and the Council should consider this in detail as it will result in a Negative response on the Annual Internal Audit Report. The non-compliance identified relates to the failure by the Council to formally undertake a review of risk during the 2024/25 financial year. The Council will need to consider what response it may give to Assertion 5 of the Annual Governance Statement.

I would like to express my thanks for the assistance provided to me during my audit.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'L. Rose'.

Kevin Rose ACMA
Director

Internal Audit 'Not Covered' Responses

Internal Control Objective	Reason for Not Covered Response
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")	The reason for the "Not Covered" response for Objective K is that it is not applicable to your Council as the Council did not certify itself exempt from a limited assurance review for the relevant financial year.
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.	At present no specific guidance has been provided to Internal Auditors as to what the 'relevant legislation' is in respect of Control Objective L. We have tested against the requirements of Statutory Instruments 2015/480 The Local Government (Transparency Requirements) and 2015/494 The Smaller Authorities (Transparency Requirements), neither of which apply to your Council. The publication requirements of Statutory Instrument (2015/234) The Accounts and Audit Regulations are covered in our responses to Internal Control Objectives M and N. The Council should note that we have not considered any additional publication requirements that may apply, for example those set out in the ICO Model Publication Scheme for Parish Councils.