

HUDSON ACCOUNTING LTD.
INTERIM INTERNAL AUDIT REPORT:
TO THE MEMBERS OF HAYLE TOWN COUNCIL
YEAR ENDED 31ST MARCH 2027.

ISSUE DATE: 21/10/2026.
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.

A**pproach:**
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 2026.

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.

We have provided a table of audit recommendations, where required to allow for the Council's response which can be used as an ongoing monitoring tool. We would be grateful if, in due course, it is completed and returned to us.

AUDIT COMMENTARY:

Previous Recommendations

There are no previous recommendations requiring action.

Accounting Records

The accounts are maintained on RBS Omega accounting software they were up to date and appear free from material errors.

Financial Regulations

Financial Regulations were last reviewed in July 2026.

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.

Procurement

Quotes were obtained for works to the swimming pool, in line with Financial Regulations.

Due to the specialist nature of the works firms were invited to provide quotes thus there was no requirement to advertise the opportunity on Contracts Finder.

However, there is still a requirement to publish the contract award which was not done.

Payments

A sample of payments made in June was tested. All were supported by invoices and had been accurately input into the accounting system.

Where required purchase orders were used.

Invoices had been certified by the RFO prior to inclusion on payment schedules approved by Members.

Grants

Grants paid to date have all been in accord with Member approvals.

Risk

Risk Assessment

The Corporate Risk Management Schedule was reviewed in July 2026 along with the Statement of Internal Controls.

Insurance

Statutory insurances are in place and the Fidelity Guarantee is adequate at £1.7 million.

Comparison of the insurance schedule and asset register suggests there are no obvious omissions in insurance cover.

Investments

An Investment Strategy covering the 2026/27 financial year was adopted in July 2026.

Data Protection & IT

IT and Data Protection policies have been reviewed as has the Publication Scheme.

Budgets

Setting

We reviewed the 2026/27 budget setting process as part of our final audit work last year and we will review the 2026/27 process later in the year.

Monitoring

The 2025/26 financial year outturn was reviewed by Members in April and quarter one of the current financial year was reviewed in July.

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.

Grants

Large grants Have been received from the Vitality Fund and Grantscape. Care should be taken to ensure that the requirements of the Funding Agreements are met.

Allotments

Allotment holders have been invoiced in line with the published scale of charges; adequate arrangements are in place to ensure payment.

VAT

VAT claims are up to date.

Swimming Pool

Swimming pool income was reviewed and there no issues to report.

Payroll

New Starters

New employees have been issued with contracts of employment and have been paid in accordance with the Terms therein.

Re-gradings

The results of the Job Evaluation process were accurately applied.

Tax, NI & Pensions

The September payroll was tested with no issues to report.

Pay Award

The national pay award and associated back-pay has been accurately implemented.

Bank Reconciliation

Monthly bank reconciliations are carried out in a timely and accurate manner, have been reported to Council and have been reviewed in accordance with Financial Regulations.

Electors Rights

Full Council properly the 2025/26 AGAR.

The opportunity for electors to examine the accounts was properly advertised and the publication requirements in respect of the 2025/26 accounts have been met.