

Annual Internal Audit Report 2024/25

ENTER Frome Town Council RITY

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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.	Yes		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Yes		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	Yes		
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.	Yes		
H. Asset and investments registers were complete and accurate and properly maintained.	Yes		
I. Periodic bank account reconciliations were properly carried out during the year.	Yes		
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.	Yes		
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. <i>(If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")</i>			N/A
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.			N/A
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 <i>(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)</i> .	Yes		
N. The authority has complied with the publication requirements for 2023/24 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	Yes		

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

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

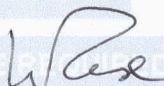
Date(s) internal audit undertaken

Name of person who carried out the internal audit

05/05/2024 05/09/2024 19/12/2024

Kevin Rose ACMA- IAC Audit & Consultancy Ltd

Signature of person who carried out the internal audit

SIGNATURE 

Date

09/06/2025

*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).



Paul Wynne
Town Clerk
Frome Town Council
Frome Town Hall
Christchurch Street West
Frome
BA11 1EB

9th June 2025

Dear Paul,

Year End Internal Audit Report

An audit was carried out by Kevin Rose on Friday 6 June 2025. This was the Year End audit following on from the interim audits carried out on 5 September 2024 and 19 December 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 64 items were tested during this audit in addition to the 144 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)
- Income billing, collection and VAT (Box E)
- Payroll(Box G)
- Assets and investments (Box H)
- Bank reconciliations (Box I)
- Accounting Statements (Box J)

Summary of tests undertaken during this audit

Positive response	27
Negative response	4
Not Applicable to your Council	33
Total tests carried out	<u>64</u>

Of the 31 applicable items tested a Positive response was obtained in respect of 27 tests. There were 4 Negative responses identified and 5 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	140
Negative response	23
Not Applicable to your Council	45
Total tests carried out	<u>208</u>
Tests not carried out	Nil

I am pleased to advise that no 'Non-Compliances' were identified that would give rise to a negative response on the statutory Annual Internal Audit Report.

Based on the internal audit testing carried out I am satisfied that the Council's Internal Controls were effective for the 2024/25 financial year.

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 'K. 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.

Frome Town Council
Financial Year 2024-25



IAC Audit and Consultancy Ltd

Audit date: 6 June 2025

Year End Internal Audit Observations

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.

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Accounting Statements Box 4 - Staff Costs value agrees to total payments of Salaries, Wages and Pensions.	No	<i>Accounting Statements Box 4 value does not agree to total payments of Salaries, Wages and Pensions. The Council has included Councillor Allowances as a Box 4 expense instead of Box 6.</i>	The Council to note the difference between the draft Accounting Statements Box 4 value and the value computed by the Internal Auditor. The Council to review the computation and, if appropriate, amend the Box 4 value.	High	

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

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Total of Asset Register agrees to Box 9 value of Accounting Statements	No	<i>It was not possible to agree the Asset Register to the value stated in Box 9 of the Accounting Statements as the draft Accounting Statement numbers provided did not include the Box 9 asset value.</i>	Council to provide the Internal Auditor with all draft Accounting Statement values.	High	

I Periodic bank account reconciliations were properly carried out during the year.

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The Year End bank reconciliations have been signed and dated as evidence of independent review.	No	<i>The Year End bank reconciliations have not been signed and dated as evidence of independent review.</i>	Prior to the Council's approval of the Accounting Statements the year end bank reconciliations should be subject to review and signed and dated as evidence of this review.	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	The Year End PWLB balance (and any other loans) agrees to Box 10 in draft Accounting Statements	No	<p><i>It is understood that the Council has loans outstanding with SALIX and the Lawn Tennis Association. It is not known whether the Council has obtained Secretary of State approval for these loans.</i></p> <p><i>It was noted that for the prior (2023-24) accounting year the Council only reported the PWLB balance in Box 10 of the Accounting Statements.</i></p>	<p>The Council to review whether it has formal borrowing approvals from the Secretary of State for the SALIX and LTA loans.</p> <p>The Council to review the computation of the prior year Accounting Statements values and ensure that both Box 10 (loan balance) and Box 5 (loan payments) are correctly stated for the prior year including the SALIX and LTA loans. If necessary the Council to Restate the 2023-24 values so they are consistent with the 2024-25 values.</p>	High	
2	Audit Extended Trial Balance agrees to draft Accounting Statements	Yes	<p><i>It was noted that there was a compensating difference in the Box 4 and Box 6 values computed by the Internal Auditor and those in the draft Accounting Statements. (See Observation ICO G above).</i></p>	See Observation G1 above	High	

Frome Town Council

Audit 1 Date: 05/09/2024
Audit 2 Date: 19/12/2024
Year End Audit Date 08/04/2025



Internal Audit Summary for the year 2024-25

(shaded Internal Control Objectives are not applicable to your Council)

Internal Control Objective		Observations	Observation Analysis					Responses			
			Non - Compliance	High	Medium	Low	Advisory	Positive	Negative	N/A	Not Checked
A	Appropriate accounting records have been properly kept throughout the financial year.	0	0	0	0	0	0	6	0	0	0
B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	2	0	2	4	0	0	34	3	5	0
C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	2	0	3	1	0	1	8	5	1	0
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	1	0	0	1	0	0	14	0	3	0
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	2	0	3	0	0	0	12	3	11	0
F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	0	0	0	0	0	0	9	0	0	0
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.	5	0	3	2	0	0	22	3	1	0
H	Asset and investments registers were complete and accurate and properly maintained.	1	0	1	0	0	0	4	1	6	0
I	Periodic bank account reconciliations were properly carried out during the year.	1	0	1	2	0	0	9	3	4	0
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.	2	0	2	0	0	0	8	1	2	0
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"	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	N/A
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.	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	N/A

Internal Control Objective		Observations	Observation Analysis					Responses			
			Non - Compliance	High	Medium	Low	Advisory	Positive	Negative	N/A	Not Checked
M	The authority, during the previous year (2023/24) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	1	0	0	1	0	0	4	1	0	0
N	The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR Page 1 Guidance Notes).	0	0	1	0	0	0	6	1	1	0
O	(For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee	2	0	2	1	0	0	4	2	1	0
Total		31	0	18	12	0	1	140	23	45	0