



# Macclesfield Town Council

Internal Audit 2025/26

Interim Report

The internal audit of Macclesfield Town Council is carried out by undertaking the following tests as specified in the AGAR Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Review of year-end financial statements
- The authority has complied with the publication requirements for the prior year AGAR.
- The authority correctly provided for a period for the exercise of public rights for the prior year AGAR
- The authority published required information on a website up to date at the time of the internal audit in accordance with relevant legislation.

The interim internal audit provides evidence to support the annual internal audit conclusion in the AGAR Annual Return for larger councils.

## **Conclusion**

On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations reported in the action plan overleaf.

**J D H Business Services Ltd**

## ACTION PLAN

	ISSUE	RECOMMENDATION	FOLLOW UP
<i>2025/26 interim internal audit</i>			
1	<p>One of our sample items represented a duplicate payment for £180.89 as indicated below:</p> <ul style="list-style-type: none"> <li>03/04/2025 BACS Cashbook Bedding plants DUPE invoice £180.89</li> <li>16/05/2025 Cashbook Refund due to duplicate payment £180.89</li> </ul>	<i>Internal controls should be improved to ensure no duplicate payments are made.</i>	<i>Several controls in place and therefore we will ensure all signatories understand the importance of checking before authorising.</i>
2	<p>For the following sample item we could not clearly identify a breakdown of purchases to substantiate the total payment, however, in the information provided, the incorrect VAT amount is listed for an Aldi purchase (£0.94 on the receipt vs £2.12 recorded):</p> <ul style="list-style-type: none"> <li>01/07/2025, BACS, Cashbook Various - see breakdown £68.76</li> </ul>	<i>VAT must be completely and accurately accounted for on all transactions with a clear audit trail provided.</i>	<i>This was incorrectly recorded.  The breakdown from Soldo (the pre paid credit card statement) – wrongly stated vat was £2.12 and the officer input the vat using this. From now on they will not use this and use the actual receipts and invoice.</i>