

D262701- Internal Audit of Rhuddlan Town Council 2025-26

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Purpose and Scope of Review

To carry out the internal audit of the 2025-26 accounts on the basis of an assessment of risk, has included carrying out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ending 31 March 2026.

Audit Opinion

Our review of Rhuddlan Town Council for the financial year 2025-26 confirmed robust governance and financial controls are in place. Examples of effective controls include good standard of record keeping using the financial system 'Rialtas', regular review and approval of payments and good maintenance of the council's cashbook.

Payroll arrangements remain effective with evidence of deductions of national insurance and tax to HMRC and to the pension provider. Since our last review, the council now have an assistant Town Clerk to support the Town Clerk and Responsible Financial Officer, which strengthens business continuity for key tasks performed by the Town Clerk. However, there are no written procedures in place to capture key tasks performed. (See Risk Issue 1)

The council regularly review and update policies, which are accessible on the website. The financial regulations are reviewed annually, which include appropriate thresholds for procuring goods and services. Testing confirmed that income and expenditure including the treatment of VAT were processed in line with the financial regulations. Monthly, quarterly and end of year reconciliations are performed with clear separation of duty in place.

Risk management arrangements are effective with a risk assessment in place recording risks, impact, likelihood, and controls to mitigate risks from materialising. An asset register is in place, which is reviewed periodically. Insurance coverage is reviewed and approved on an annual basis to cover risks and assets identified by the council.

A review of the annual return identified some variances in comparison to the previous year with valid explanations for the variances.

Based on the scope of the review and with one moderate risk, we give a high assurance overall. Details of the definitions of the ratings used in our report are included in Appendix 1".

High Assurance ●

Risk and controls well managed and objectives are being achieved

Action Plan

Issue 1 – Written Procedures

**No written procedures in place for key tasks performed by the Town Clerk-
Moderate Risk ●**

The Town Clerk/Responsible Finance Office performs key tasks as part of their role. Rhuddlan Town Council have appointed an Assistant Town Clerk to support the Town Clerk. While on the job training is provided to the Assistant Town Clerk there are no written procedures in place for the Assistant Town Clerk to refer to when the Town Clerk is unavailable. This will provide an additional training aid for the Assistant Town Clerk and strengthen business continuity within the council.

Priority	Agreed action	Responsibility	Deadline
P1	1.1 To develop and approve Standard Operating Procedures (SOPs) for the following activities: • Invoicing • Payment of suppliers • Compilation of meeting agendas • Audit preparation and statutory audit requirements	Town Clerk and RFO	30/12/2026
P2	1.2 Provide One Voice Wales training modules 6,20,21 and 24	Assistant Clerk	30/12/2026

Appendix 1 – Definition of Ratings Used Within the Report

Assurance Levels

High Assurance ●	Risk and controls well managed and objectives are being achieved
Medium Assurance ●	Minor weaknesses in management of risks and/or controls but no risk to achievement of objectives
Low Assurance ●	Significant weaknesses in management of risks and/or controls that put achievement of objectives at risk
No Assurance ●	Fundamental weaknesses in management of risks and/or controls that will lead to failure to achieve objectives

Action Plan Priority

Priority	Impact	Timescale (indicative)
P1	Action is imperative to ensure that the objectives for the area under review are met	To be implemented immediately. Explanation to Governance & Audit Committee should timeframe extend beyond three months
P2	Requires action to avoid significant risks to the achievement of objectives within the area under review	Implemented as soon as possible. Explanation to Governance & Audit Committee should timeframe extend beyond six months
P3	Action to enhance controls or improve operational efficiency	Implemented within six months. Governance & Audit Committee will be advised if longer timescale is necessary and/or justified

Risk Assessment Criteria

Risk Severity	Escalation Criteria	Likelihood & Impact
Moderate ●	Risk containable at service level – senior management and Senior Leadership Team (SLT) may need to be kept informed	• Event is almost certain/likely to occur in most circumstances with very low impact • Event is likely/possible to occur with low impact • Event will possibly/unlikely/rarely occur with medium impact • Event rare and may occur only in exceptional circumstances with high impact
Major ●	Intervention by SLT and / or Corporate Executive Team (CET) with Cabinet involvement	• Event is almost certain to occur in most circumstances with low impact • Event is almost certain/likely to occur in most circumstances with medium impact • Event will possibly/unlikely to occur at some time with high impact • Event rare and may occur only in exceptional circumstances with very high impact
Critical ●	Significant CET and Cabinet intervention	• Event is almost certain or likely to occur with high impact • Event is almost certain/likely/possibly to occur with very high impact

Report Recipients

- Rhuddlan Town Clerk

Internal Audit Team

Samantha Davies, Principal Auditor (CP)

samantha.davies@denbighshire.gov.uk

Key Dates

Review commenced

April 2026

Review completed

April 2026