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INTERNAL AUDIT REPORT

TO THE CLERK AND MEMBERS OF **ROCHE PARISH COUNCIL**
YEAR ENDED 31ST MARCH 2026

ISSUE DATE: 01/06/2026

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Overview of internal audit:

Internal auditing is an independent and objective assurance activity aimed at enhancing the effectiveness of an organisation's operations. It supports the organisation in achieving its objectives by applying a systematic and disciplined approach to the evaluation and improvement of risk management, internal controls, and governance processes.

The scope of the audit encompasses the areas identified in the Internal Audit Report, as included in the Annual Governance & Accountability Return (AGAR).

It should be noted that internal audit assurance can never be absolute. The audit does not involve a detailed examination of all records and transactions and, as such, cannot guarantee that the accounting records are entirely free from fraud or error.

Comments:

I wish to express my sincere thanks to the Clerk, Mrs Julie Burdon, for her assistance and cooperation throughout the course of the audit. It has been a pleasure to conduct this audit.

Internal Audit Report Response Record:

Number	Recommendation	Response
1	It is recommended that the Public Notice dates be included in the minutes at the same time as the AGAR is approved, in accordance with the Practitioners' Guide.	
2	It is recommended that the Internal Auditor's Detailed Report be published simultaneously with the AGAR, in accordance with the Practitioners' Guide.	

Objectives of the internal audit:

AGAR Certificate reference

A. Appropriate accounting records have been kept throughout the year and periodic bank reconciliations were properly carried out during the year.

Ensure the correct roll forward if the prior year cashbook balances to the new financial year.

All balances have been accurately carried forward.

Check a sample of financial transactions in cashbooks to bank statements etc: the sample size dependent on the size of authority and nature of accounting records maintained.

The accounts are maintained in the Excel Spreadsheets. They were up to date and appeared to be free from material errors. A sample of payments was tested to establish whether the required controls had been applied and VAT had been accurately recorded.

Ensure the bank reconciliations are prepared routinely, are subject to independent scrutiny and signed off by members.

Bank reconciliations have been produced routinely throughout the year and have been reviewed/checked by a member.

Verify the accuracy of the year-end bank reconciliation detail and ensure accurate disclosure of the combined cash and bank balances in the AGAR (section 2, line 8).

The year-end reconciliation was found to be accurate, with no "balancing" entries or long-outstanding unpresented payments.

Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy.

The Investment Policy has been reviewed and adopted in June 2025.

B. The authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.

Review the procedures in place for acquisition of formal tenders and quotes, ensuring they are in line with the SOs and the FRs which should be based in the latest version.

Financial Regulations and Standing Orders, based on the model documentation, are in place. It is noted that both documents have been reviewed and adopted in June 2025.

Ensure the consistent values are in place for the acquisition of formal tenders between SOs and FRs (frequently different limits are recorded in the two documents).

Testing revealed no issues.

Review the procedures for receipt of invoices, agreement of invoice detail and confirmation of goods/services delivery and approval for payment: ideally, a suitably designed certification stamp should be in place providing for evidence of these checks and payment authorisation.

All invoices appeared to be checked by Clerk and authorised prior to the payment.

Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments.

A sample of payments was tested to establish whether required controls had been applied and Vat had been accurately recorded. The Council uses online transactions as the main form of payments. Invoices are supported by a payment list which goes along with the meeting minutes.

Check that VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements.

VAT claims are up to date.

Where debit/credit cards are in use, establish the total monthly and individual transaction limits and ensure appropriate controls over physical security and usage of cards are in place.

Testing revealed no issues; it has been noted that a multicard is in use by the Clerk, all payments are ratified by the Council as a part of the internal controls.

C. The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Ensure that authorities have prepared and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc.

The Council reviewed its Risk Assessment in June 2025.

Ensure that appropriate levels of insurance cover are in place for land, buildings, public, employers and hirers liability, fidelity/employees' liability, business interruption and cyber security.

Insurance cover in place. Fidelity Guarantee cover was adequate at £400,000 to compare to Council reserves.

Ensure that appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches: such reviews should be undertaken by appropriately qualified external inspectors or, if by officers or members, that they have received the appropriate training and accreditation.

Inspections of play areas, open spaces and sport pitches are carried out by appropriately qualified inspectors.

Review the effectiveness of internal control carried out by the authority.

Testing revealed not issues.

D. The Precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored: and reserves are appropriate.

Ensure that the full Authority, not a Committee, has considered, approved and adopted the annual precept in accordance with the required parent Authority timetable.

The Full Council approved the annual precept of £180,000 at the meeting on 9 December 2024.

Ensure that current year budget reports are prepared and submitted to Authority/Committees periodically during the year with appropriate commentary on any significant variances.

Budget monitoring has been carried out regularly throughout the year and reported to the Council, as evidenced in the minutes.

Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances.

Variance report has been checked and all items have explanation.

Ensure that the Authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process.

Earmarked reserves in place. The Council adopted and reviewed the general reserve policy in June 2025. After allowing for earmarked reserves of £212,682 the general reserve stands at £100,500; equating to 30% of gross expenditure which is within generally accepted parameters.

Ensure that the precept received in the accounts matches the prior year submission form to the relevant authority and the public record of precepted amounts.

The precept received is in accord with that approved by Council.

E. Expected income was fully received based on correct prices, properly recorded and promptly banked, and VAT appropriately accounted for.

Review "Aged debtor" listings to ensure appropriate follow up action is in place.

Testing revealed no issues.

Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained identifying, that debtors are monitored.

Not applicable.

Burials: ensure that a formal burial register is maintained that it is up-to-date and that a sample of interments and memorials are appropriately evidenced, that fees have been charged at the correct approved rate and been recovered within a reasonable time: (Authorities should also acquire and retain copies of Burial / Cremation certificates).

Testing revealed no issues.

Hall hire: ensure that an effective diary system for bookings is in place identifying the hirer, hire times and ideally cross referenced to invoices raised.

Not applicable.

Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at the due time.

Testing revealed no issues

Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of all such income.

Testing revealed no issues.

Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained duly identifying the date(s) on which income is due and actually received / banked.

Testing revealed no issues.

F. Cash payments were properly supported by receipts, all cash expenditure was approved, and VAT appropriately accounted for.

A number of Authorities are now running down and closing their petty cash accounts and using debit / credit cards for ad hoc purchases. Consequently, where no payments are made in physical cash a "Not covered" response is required in this area.

Not applicable, petty cash not in use.

Review the systems in place for controlling any petty cash and also cash floats (used for bar, catering, etc).

Not applicable.

Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held.

Not applicable.

Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held.

Not applicable.

Ensure that VAT is identified wherever incurred and appropriate.

Not applicable.

Physically check the petty cash and other cash floats held.

Not applicable.

Where bar or catering facilities are in place, ensure that appropriate cashing-up procedures are in place reconciling physical cash takings to the till "Z" total readings.

Not applicable.

G. Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.

Ensure that, for all staff, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract.

Employment contract is in place.

Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability.

Testing revealed no issues.

Ensure that, for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the NJC scale or hourly rate, if off-scale, and also with the contracted hours.

Tax and National Insurance deductions have been properly applied and paid over to the relevant authority in a timely manner. A sample of payroll was tested and revealed no issues; annual pay increase has been awarded and accurately reflected in the payroll.

Ensure that appropriate tax codes are being applied to each employee.

Testing revealed no issues.

Where free or paid for software is used, ensure that it is up to date.

Testing revealed no issues.

For the test sample of employees, ensure that tax is calculated appropriately.

Testing revealed no issues.

Check the correct treatment of Pension contributions.

Testing revealed no issues.

For NI, ensure that the correct deduction and employer's contributions are applied: . The employer's allowance is not available to councils but may be used by other authorities,

Testing revealed no issues.

Ensure that the correct employers' pension percentage contribution is being applied.

Testing revealed no issues.

Ensure that for the test sample, the correct net pay is paid to the employee with tax, NI and pension contributions correctly paid to the respective agencies.

Testing revealed no issues.

H. Asset and investment registers were complete and accurate and properly maintained. This section / assurance should be extended to include loans to or by the authority.

Tangible Fixed Assets

Ensure that the Authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of / no longer serviceable assets.

The Asset Register was last updated in March 2026 and the total value has been accurately disclosed in the AGAR.

Physically verifying the existence and condition of high value, high risk assets may be appropriate.

Testing revealed no issues (Pump Track).

Ideally, the register should identify for each asset the purchase cost and, if practicable, the replacement / insured cost, the latter being updated annually and used to assist in forward planning for asset replacement.

Testing revealed no issues.

Additions and disposals records should allow tracking from the prior year to the current.

Testing revealed no issues.

Ensure that the asset value to be reported in the AGAR at Section 2, line 9 equates to the prior year reported value, adjusted for the nominal value of any new acquisitions and / or disposals.

Testing revealed no issues.

Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or "self-insured" by the Authority.

Testing revealed no issues.

Fixed Assets Investments

Ensure that all long-term investments (i.e., those for more than 12-month terms) are covered by the "Investment Strategy" and reported as Assets in the AGAR at Section 2, line 9.

Not applicable.

Borrowing and Lending

Ensure that the authority has sought and obtained appropriate Debt Management Office approval for all loans acquired.

Not applicable.

Ensured that the authority has accounted for the loan appropriately (i.e., recorded the full value of the loan. Any arrangement fee should be regarded as an admin expense) in the year of receipt.

Not applicable.

Ensure that the combined principal loan repayment and interest for the year is correctly recorded in the AGAR at Section 2, line 5.

Not applicable.

Ensure that the outstanding loan liability as at 31st March each year is correctly recorded in the AGAR at Section 2, line 10 (value should be verified from the lender and verification provided to the IA by the clerk/RFO).

Not applicable.

Where the Authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient body, or their members, agreeing to underwrite the loan debt.

Not applicable.

J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.

Ensure that, where annual turnover exceeds £200,000 appropriate records are maintained throughout the year on an Income and Expenditure basis to facilitate budget reporting in that vein.

The accounts were produced on income and expenditure basis and were in accordance with underlying records.

Ensure that appropriate accounting arrangements are in place to account for debtors and creditors during the year and at the financial year-end.

Testing of debtors and creditors revealed no issues; debtors and creditors have been properly treated and disclosed.

K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.

Ensure the correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline.

Not applicable.

Ensure that exemption certificate has been published, together with all required information on the Authority's website and noticeboard.

Not applicable.

L. The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with the relevant legislation.

Review the Authority's website ensuring that all required documentation is published in accordance with the relevant legislation.

The Council publishes information on a free to access website that is up to date at the time of the internal audit and provides information that would reasonably be expected to be there.

M. The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.

Examine a copy of the required "Public Notice" ensuring that it clearly identifies the statutory 30 working day period when the Authority's records are available for public inspection and also check whether council have minuted the relevant dates at the same time as approving the AGAR.

The Council has complied with its obligations under the Accounts & Audit Regulations 2015 in respect of the advertisement of the Public Rights to inspect the accounts.

- Recommendation 1: It is recommended that the Public Notice dates be included in the minutes at the same time as the AGAR is approved, in accordance with the Practitioners' Guide.

N. The authority complied with the publication requirements for the prior year AGAR.

Ensure that the statutory disclosure / publication requirements in relation to the prior year's AGAR have been met as detailed on the front page of the current year's AGAR.

The opportunity for electors to inspect the accounts was properly advertised, and the publication requirements for the 2024/25 accounts were fully complied with.

- Recommendation 2: It is recommended that the Internal Auditor's Detailed Report be published simultaneously with the AGAR, in accordance with the Practitioners' Guide.

O. The authority complied with laws, regulations and proper practices relating to digital and data compliance.

Ensure local authority has, as a minimum, a single generic email address on an authority owned domain.

The Council has generic email address on an authority owned domain.

Check that website accessibility has been tested, at least annually, and that the accessibility statement has been updated as required.

The Accessibility Statement is present on the Council's website.

Check when the authority last completed data audit.

Testing revealed no issues.

Ensure the authority has prepared and formally adopted a data protection policy that is reviewed at least once annually.

Testing revealed no issues. Data Protection Policy was adopted and published on the Council's website.

Ensure the authority has an up to date IT policy in place.

Testing revealed no issues. IT Policy was adopted in January 2026.

P. Trust funds (including charitable) - the Council has met its responsibilities as a trustee.

Confirm that all charities of which the council is a Trustee are up to date with CC filing requirements.
Confirms that the council is the sole trustee on the Charity Commission register.
Confirm that that the council is acting in accordance with the Trust deed.
Confirm that the Charity meetings and accounts recorded separately from those of the council.
Review the level and activity of the charity and where a risk based approach suggests such, review the Independent Examiners report.

Not applicable.

Other Matters

The above has enabled me to complete the internal audit section of the AGAR, and I confirm that there are no further matters requiring the attention of the Council.

End of report.

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