Annual Internal Audit Report 2025/26

UCKFIELD TOWN COUNCIL

www.uckfieldtc.gov.uk

During the financial year ended 31 March 2026, 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 2025/26 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.	✔		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✔		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✔		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✔		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✔		
F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.	✔		
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.	✔		
H. Asset and investments registers were complete and accurate and properly maintained.	✔		
I. Periodic bank account reconciliations were properly carried out during the year.	✔		
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.	✔		
K. **If** the authority certified itself as exempt from a limited assurance review in 2024/25, it met the exemption criteria and correctly declared itself exempt. *(If the authority had a limited assurance review of its 2024/25 AGAR tick "not covered")*			✔
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.	✔		
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 *(during the 2025/26 AGAR period, were public rights in relation to the 2024-25 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).*	✔		
N. The authority has complied with the publication requirements for 2024/25 AGAR *(see AGAR Page 1 Guidance Notes).*	✔		
O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.	✔		

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

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: 15/10/2025 16/03/2026 23/06/2026

Name of person who carried out the internal audit: MIKE PLATTEN CPFA

Signature of person who carried out the internal audit

Date 25/06/2026

***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).

Holly Goring

Uckfield Town Council

25 June 2026

Dear Holly

Uckfield Town Council

Internal Audit 25 -26 - Final Audit Report

The internal audit for the 25-26 financial year is now complete. I am pleased to be able to report that I have signed off the internal audit section of the Annual Governance and Accountability Return (AGAR) for with no comments.

As stated in the engagement letter, the scope of our work is limited to completing the audit testing and enquiries we deem necessary to complete Section 4 of the Annual Report for Local Councils in England. We do not provide assurance over or accept responsibility for areas of work not included in this scope, unless specifically agreed with the Council during the financial year. For clarity :

- my audit reviews the statement of accounts included within the AGAR
- I do not review the 6 page Financial Statements Document produced by the Council. This is not required by regulations and is therefore outside the scope of this audit.

In providing internal audit services we are not conducting a financial statement audit in accordance with standards and guidelines issued by the Audit Practices Board and our procedures are not designed to provide assurance over the reliability and quality of your financial statements and management information – that is the job of external audit.

We are required by the Annual Internal Audit Report included in the Annual Governance and Accountability Return (AGAR) to review controls in place at the Council against predefined control assertions. These control assertions are set out below, together with the results of my internal audit work for 25-26. Recommendations are set out at Appendix A. I set out a schedule of tests not completed at this audit at Appendix B, these tests are not relevant to this Council.

The audit was carried out in three stages. The interim audits were completed on 15 October and 16 March, these concentrated on in year financial transactions and governance controls. The final audit was carried out remotely on 23 June and concentrated on the statement of accounts and balance sheet.

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A - Appropriate books of account have been kept properly throughout the year

First Interim Audit

The Council maintains financial records on the Sage Accounting system. My testing confirmed that income and expenditure is balanced to the cashbook and reconciled to bank statements on a regular basis. During my testing I confirmed there is a clear audit trail from the accounts to supporting documentation such as invoices.

The Council has a system of member audits. These are carried out each month, and a member is tasked with reviewing the following:

- Supplier invoices
- Sales ledger transactions
- Staff timesheets
- Bank and petty cash reconciliations

I checked that the member audit process has been operating in 25-26. I confirmed that member audits have been completed to the end of July 2025. The review of the August accounts has been booked in to be completed on 28 October. I reviewed the member audit file and this showed all checks are being completed and properly evidenced by councillors.

Second Interim Audit

I tested the brought forward balances on the Sage accounting system.

Opening Balance sage	£5,161,644
AGAR accounting statements box 7	£1,206,466
Difference	£3,955,179

This is explained by 2 accounts recorded on Sage

Revaluation Reserve	£ 519,173
Capital Financing	£3,436,007
Total	£3,955,180

Revaluation reserves and capital financing accounts are not included in statutory accounting in this sector. I am therefore satisfied that the opening balances on Sage can be agreed back to the audited accounts for 24-25.

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The Council is registered for VAT, and submits VAT returns to HMRC on a quarterly basis. I checked the VAT return for quarter 3. The Council submitted the VAT return on 6 February, just before the deadline of 7 February. VAT reclaimed was £18,043, this is supported by VAT reports extracted from the accounting system. The refund was received at bank on 12 February; I have checked this to the bank statement. I could not agree the VAT return to the VAT control account at 31 December, a number of entries have not yet been input into the accounting system. This must be actioned as part of year end closedown, and the Q4 VAT return should be agreed to the VAT control account at 31 March.

Final Audit

I have agreed the figures in the AGAR accounting statements back to the sage trial balance, via working papers prepared by the Council's externally contracted accountant. I have also checked that the complete trial balance has been included in the accounting statements. All comparatives reported in the financial statements have been agreed back to the audited 24-25 accounts, as published on the Council website.

Compilation of Financial Statements

I again report that the council should look simplify accounting processes. I note that whilst significant improvements have been made in 25-26;

- the Council continues to record fixed assets / stock and loans on the trial balance. This is not required in the Town Council sector and makes the general ledger and balance sheet less user friendly.

- the compilation of the year end accounts is based on a complex multi spreadsheet process, which is reliant on manual input. More use should be made of reporting from the Sage accounting system.

- the Council cannot readily identify the general reserve balance; this can only be calculated by adjusting the profit and loss account to reflect a number of accounting entries not relevant to accounting standards in this sector.

The Council should continue to streamline statutory accounting processes. This review should consider:

- Removing fixed assets and capital accounts from the trial balance
- Ceasing production of company style accounts, which are currently produced each year but not used.
- Writing reports in Sage that enable year end accounts to be produced directly from the accounting system, with minimal reliance on spreadsheets

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External accountancy support with sector knowledge should be obtained to support this process.

VAT Accounting

VAT accounting processes have been significantly improved in 25-26. I confirmed that the quarter 4 VAT return has been submitted to HMRC. A date stamp from Sage confirms this was submitted on 7 May, and the due date was met. VAT of £9,675 was reclaimed. VAT owed to the Council recorded on Sage at 31.3.26 was £16,800. There is therefore a difference of £7,125 on the Council VAT account. The RFO has completed a reconciliation and confirms the following:

- £6,338 relates to VAT incurred but not yet claimed back, relating to vehicle purchases
- £787 is due to timing issues on VAT accounting not yet identified.

The Council should reclaim outstanding VAT owed in the next VAT return and seek to reconcile the VAT return to the VAT control account at the end of quarter 1 26-27.

B - The Council's financial regulations have been met, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for
First Interim Audit

Financial Regulations are based on NALC templates. The Council reviewed financial regulations at the Full Council meeting in May 2025. Standing Orders are also up to date, these were ratified at the May 2025 Full Council meeting, alongside the Code of Conduct for Councillors.

Second Interim Audit

The Council has a clear process for making payment to suppliers. Invoices are sent into the office; these are then reviewed against orders and coded and signed off for processing by the Town Clerk. The invoice is passed to the RFO, who inputs the invoice into Sage. Every 2 weeks a BACS run report is run from Sage. The RFO rechecks invoices against this report and the payment is entered by the RFO on to the Council bank account. Payments and payment run information is then presented to Councillors, who physically sign bank payment reports, and approve payments at bank.

I carried out a sample test of non-pay expenditure transactions selected from the cashbook from the whole of the financial year (to 16 March 2026). Transactions were selected from the Day Books: Paid Invoices Report. I was able to confirm the following for all transactions:

- Payment agreed to invoice

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Accounting

- Invoice passed for payment by Town Clerk, evidenced on the face of the invoice
- Invoice signed off by 2 councillors on face of invoice
- VAT accounting correct
- Expenditure appropriate for this Council

There is a clear audit trail from Sage to source documentation which demonstrates compliance with Council financial regulations in the processing of payments to suppliers.

I confirmed that the Council advertised a contract for playground equipment on the Find a Tender website, as required by Financial Regulations – see extract from website below:

Victoria Play Area
Uckfield Town Council
Design, supply and installation of a play area at Victoria Pleasure Ground up to £80-90k, and supply and installation of the replacement of one piece of equipment at Hempstead Recreation Ground up to £20k.
Notice type UK4: Tender notice

I have one minor recommendation. The Council should obtain a VAT invoice from UHY for a payment made in July 25, the document on file was a demand for payment that does not meet HMRC requirements.

Final Audit

Non pay expenditure per box 6 to the accounts amounted to £ 1,125,128, up from £1.036,851 in 24-5.

I did not carry out any further testing at my year end audit; transaction testing was concluded at my second interim audit in late March. I have now concluded my testing of expenditure for the year, and I am satisfied that the Council has been following financial regulations in the way that expenditure and payments are approved.

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

Second Interim Audit

The Council insures its assets with QBE insurance on a standard local authority policy. I checked property insurance, this was in date at the time of my audit, with an expiry date of 18.10.26. Lists of assets insured were as follows:

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Schedule of Locations

Premises Number	Address	Postcode	Buildings Declared Value £	Buildings Sum Insured £	Machinery plant and all other contents Declared Value £	Machinery plant and all other contents Sum Insured £	Stock and materials in trade Sum insured £
1	Uckfield Civic Centre	TN22 1AE	£6,549,750	£7,532,213	£48326	£55,575	£6,000
2	Cemetery Chapels, Uckfield	TN22 2AL	£346,450	£398,418	£5,125	£5,894	£0
3	The Museum, Bridge Cottage	TN22 1AZ	£2,121,750	£2,440,013	£0	£0	£0
4	The Foresters Hall & 2a Vernon Road	TN22 5DT	£1,326,350	£1,525,303	£2,500	£2,875	£0
5	Foresters Chapel	TN22 5DT	£233,778	£268,845	£0	£0	£0
6	The Pavilion, West Park	TN22 5DU	£725,700	£834,555	£728	£837	£0
7	Uckfield Signal Box	TN22 1PU	£291,100	£334,765	£0	£0	£0
8	(Main) Victoria Pavilion, Uckfield	TN22 5DJ	£2,039,750	£2,345,713	£61,500	£70,725	£0
9	(Green Shed) Victoria Pavilion	TN22 5DJ	£325,950	£374,843	£76,373	£87,829	£0
10	(Storage units) Victoria Pavilion	TN22 5DJ	£26,137	£30,058	£0	£0	£0
11	The Village Clock, Uckfield, East Sussex	TN22 1AN	£3,530	£4,060	£0		£0
12	Osborn Hall, Hempstead Road	TN22 1DZ	£472,525	£543,404	£0	£0	£0
13	Snatts Road Cemetery Wall	TN22 2AL	£59,757	£68,721	£0	£0	£0
14	The Source, Civic Approach	TN22 1AL	£272,650	£313,548	£0	£0	£0
15	Ridgewood Village Hall, New Road	TN22 5TG	£1,219,750	£1,402,713	£0	£0	£0
16	Machinery, Plant and all other contents floating over Uckfield Civic Centre & The Hub, Civic Approach	TN22 1AE, TN22 1AL	£0	£0	£259,325	£259,325	£0
		Totals	**£16,014,927**	**£18,417,166**	**£453,877**	**£483,060**	**£6,000**

The Town Clerk confirmed that asset restatement value is to be reviewed in 26-27, budget has been set aside for this purpose.

General insurance is with Zurich Municipal, I reviewed the policy schedule and confirmed fidelity insurance of £2m is in place.

The Council has completed the review of the Risk Management Policy for 25-26 at the Full Council meeting in January 2026 – minute below:

FC.81.01.26 Members **RESOLVED** to ratify the adoption of the revised Town Council's Risk Management Policy.

I have reviewed the Risk Management Policy, which is published on the Council website. The policy is sufficient for this Council, and there is evidence of update in year (assertion 10 references).

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D - The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate

Second Interim Audit

The Council has completed the budget and precept setting process for 26-7. These were approved at the January Full Council meeting – minutes below:

FC.86.01.26 Members **RESOLVED** to ratify the recommendation of Finance Sub-Committee and adopt the annual budget for 2026/27 of £2,121,082 with a precept of £1,432,188. This would result in an increase of £16.62 (7.55%) per annum for the average Council Tax Band D household (approx. £1.66 per month).

Precepting authority deadlines were met. The budget is supported by an Asset Management Plan and a Council Strategic Plan, both approved at the same meeting. The budget was reviewed at Finance Committee prior to Full Council approval, after a detailed budget setting process, worked through by officers and councillors. The 26-27 budget is published on the Council website.

The Council receives reports on budget v actuals on a quarterly basis. I sample checked Q2 reporting – this occurred at the October meeting of Full Council.

12.0 TO REVIEW A SNAPSHOT OF THE TOWN COUNCIL'S BUDGET AND BALANCE SHEET POSITION FOR Q2 OF 2025/26
Members noted the update.

Q3 reporting was minuted at the January Full Council meeting and individual committees continue to receive regular updates on budget v actuals.

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<u>Final Audit</u>
Reserves at 31 March 2026 were £1,181.368 (24-25 £1,206,466).

Reserve Accounting

As stated in section A above, the current accounting process in place at the Council does not make it straightforward to identify the value of the council reserves. I have reviewed the accounts presented for audit, these show there is a balance of £15K not currently allocated to earmarked or general reserves.

Type of Reserve	Balance at 31.3.26 per year end working papers and trial balance reconciliation (£)	Source document
General Reserve	233,844	Reconciliation between Sage and General Reserve spreadsheet
Earmarked Reserves	931,729	Earmarked reserves spreadsheet agreed to trial balance
TOTAL	**1,165,673**	
Total reserves per statutory accounts at 31.3.26	1,181,368	Box 7 Accounting Statements in AGAR
Difference - Unallocated reserve at 31.3.26	£15,695	

Reasons for this unallocated reserve balance should be identified and appropriate accounting adjustments posted.

Earmarked reserves

Earmarked reserves at 31.3.26 were £931K. This has been agreed to SAGE and to a schedule of earmarked reserves maintained outside of the accounting system – the accounting system balances reconciled to the reserves spreadsheet at 31.3.26. The Clerk confirms that all year end income/expenditure reports for committee areas were presented to General Purposes Committee on 8 June, alongside the year end view on earmarked reserves. Further work on reserves is anticipated in quarter 2 26-27.

Major earmarked reserve balances at 31 March 2026 were:

- Building Maintenance £188K
- Civic Centre £69K
- Town Centre Regeneration £101K
- Community Infrastructure Levy £315K

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April Skies Accounting

General Reserves

General reserves at year end were £233K. This represents 17% of precept, which is below recommended levels set out in the Practitioners' Guide. **<u>General reserves are not sufficient for a Council of this size, dependent on income from non-precept activities and with an extensive fixed asset base.</u>** The Practitioners Guide states the following

cover unexpected inflation, unforeseen events and unusual circumstances.

5.34. The generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure.

5.35. The reason for the wide range is to cater for the large variation in activity level between individual authorities. The smaller the authority, the closer the figure may be to 12 months expenditure, the larger the authority, the nearer to 3 months. In practice, any authority with income and expenditure in excess of £200,000 should plan towards 3 months equivalent general reserve.

5.36. In all of this it is important that each authority adopt, as a general reserve policy, the level appropriate to their size, situation, risks and plan their budget so as to ensure that the adopted level is maintained. Consideration of the minimum level of reserves requires not only consideration of level of income and expenditure but also the risks to that income.

5.37. Authorities with significant self-generated income (other than the precept or levy) should take into account situations that may lead to a loss in revenue as well as increased costs and adapt their general reserve accordingly.

It is therefore recommended that the Council adopts a general reserve policy before the next round of budget setting, compliant with the requirements of the Practitioners' Guide. Budget setting for 27-28 should aim to increase the general reserve to recommended levels.

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

Interim and Final audits

Precept per box 2 to the accounts was £1,321,884 (24-25 £1,127,348). This has been agreed to third party documentation provided by central government.

Income per box 3 to the accounts was £802,968 (24-25 £778,244).

I tested a sample of 15 income transactions selected from the cashbook extracted from Sage for the first 6 months of the financial year.

For Luxfords and functions income I completed the following tests:

- Income per sage agreed back to z reading on till
- I checked cash figure on till report to physical cash count signed off by supervisor and RFO
- Cash banking agreed to paying in slip and to bank statement
- Credit card banking per till report agreed to bank statement

Other income was also tested:

- Ticket sales through eventbrite agreed to report from ticket agency and to bank statement
- Room Hire – a sample of room hire credits were tested from the ledger back to invoices. I then recalculated invoices and checked these had been raised in line with approved fees and charges.
- Rental Income – agreed to shorthold tenancies
- Cemetery income – checked to approve fees and charges

For all transactions reviewed, I was able to agree credit on the accounting system back to the relevant documentation. Invoices were all raised in line with approved fees and charges, and till records showed evidence of appropriate count and authorisation by senior officers.

I have two recommendations:

- The Council should no longer accept cash when selling food / drink at functions. This would reduce workload by eliminating the need for a cash float, and the controls needed around cash takings.

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April Skies
Accounting

- Consideration should be given to purchasing a small number of card machines (such as Zettle / Sum Up / Square) for use at functions and in Luxfords. This would provide
    - back up to the till
    - enable additional sales at busy events
    - enable sales at offsite events

The Council should look to use a system that has an interface with the accounting system.

F - Petty cash payments were properly supported by receipts; all petty cash expenditure was approved and VAT appropriately accounted for

Second Interim Audit

I confirmed that both petty cash accounts had been counted and reconciled to accounting records at end of February 2026.

Final Audit

Petty cash balances held at year end on the balance sheet were as follows:

1230	UTC - Petty Cash	164.19
1235	Luxfords - Petty Cash	184.85
1236	Luxfords Float	200.00

I confirmed that the 2 petty cash accounts had been reconciled at year end, the Luxford float is managed via till processes.

G- Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.

Interim and Final Audits

Final Audit

Staff costs per box 4 to the accounts were £986,921 (24-25 £873,444).

The RFO logged into the HMRC account on 15 October. This showed that the Council is up to date with HRMC submissions and no payments are outstanding.

Payroll is processed monthly by the RFO, using Sage Payroll, in good time for monthly payments to staff. Timesheets are sent into the office; these are inspected and signed off by the Town Clerk. The RFO sets up the monthly payroll on the Sage payroll system, and checks outputs prior to further processing. Payroll is set up on Natwest Bankline. The Bankline report is signed by the RFO and checked and signed by the Town Clerk.

Authorisation for payment is provided by a councillor, evidenced by signature on the Sage Payroll Summary page

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I checked the August 2025 payroll. The payment for salaries on the bank statement was agreed to the Sage payroll summary and to the bankline report. I confirmed the bankline report had been reviewed and signed off by the RFO / Town Clerk and a councillor. Payments to HMRC and the pension provider were agreed back to payroll reports.

I selected 4 members of staff from the bankline report. For all staff selected I was able to agree pay to payslip. I tested gross pay for each officer and confirmed that this could be agreed to the annual cost of living pay rise calculation, as prepared by the RFO (August 25 is the month at which the pay award was applied) . Correct scale point was applied, as set out in payscales published by NALC.

I am satisfied that the Council has a robust payroll system, is up to date with HMRC submissions and payments, and that staff tested are being paid in line with approved rates of pay .

At the final audit I confirmed that box 4 on the accounting statements only records expenditure relating to the employment of staff, including salary / HMRC payments and pension contributions. Member allowances are accounted for on a separate ledger code and are correctly coded to box 6 on the accounting statements (other expenditure).

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

Final Audit

Fixed assets per box 9 to the accounts were £ 6,832,516 (24-25 £6,692,709). The change in asset values in 25-26 was £139,807.

The asset register accounting value has been agreed back to the fixed asset register, which lists assets at cost or proxy cost. These include some revaluations that were posted prior to my involvement as internal auditor, these contribute to the proxy cost valuation of assets at the Council. Arithmetic within the asset register has been checked and found to be accurate.

Additions to the asset register were £130K and were as follows:

Victoria Play Area - full upgrade (nominal code 5175) (15 years SL)	107,009
Hempstead new Coco Swing (nominal code 5175) (15 years SL)	17,992
Toyota Hilux AO25 WZU	27,185
Total additions	**152,186**

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1 deletion - old play Equipment at Victoria Park 12,381

I am satisfied that the change in the asset register can be agreed to new assets added at cost, less assets deleted at asset register value.

I – Periodic and year-end bank account reconciliations were properly carried out.

First Interim Audit

I reviewed the bank reconciliation file. There is clear evidence that bank reconciliations are being completed on a regular basis, the member audit file provided confirmation that these bank reconciliations are being reviewed by members each quarter, as required by financial regulations. Bank accounts held by the Council are set out below:

Account	Sage Balance	Note on reconciliation
1210 – clerks account	0	Reconciled 1.9.25 by RFO – audit checked sage and bank statement
1200 – General Account	200,012– End Aug	Reconciled to end of august, audit checked sage and bank statement
1221 – Fixed Rate Bond	322,105 - Once a year statement	Reconciled annually when bank sends statement
1224 – Lloyds Bank	21,058	Reconciled annually when bank sends statement
1225 – 35 Day account	235,995 – End Aug	Reconciled 1.9.25 by RFO – audit checked sage and bank statement
1226 – 95 Day account	422,459– End Aug	Reconciled 1.9.25 by RFO – audit checked sage and bank statement
1227 – Business Reserve	107,184 – End Aug	Reconciled 1.9.25 by RFO – audit checked sage and bank statement

I reperformed the August bank reconciliations for accounts highlighted in green,. No reconciliation has been prepared in 25-26 for the fixed rate and Lloyds accounts, the bank only issues statements annually. The next member review of bank reconciliations is due for the September bank reconciliations.

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Final Audit

Cash per box 8 to the accounts was £1,153,723 (24-25 £1,109,041) - this includes petty cash accounts

I reperformed the year end bank reconciliations for the following bank accounts.

1200	General Account	201,788.22
1221	Fixed Rate Bond	339,382.76
1224	Lloyds Bank Account	20,956.65
1225	Liquidity Manager - 35 Day Account	106,861.70
1226	Liquidity Manager - 95 Day Account	429,789.42
1227	Bus Res. (WAS Special Int. Bearing	54,241.70
1228	Luxfords Debit Account	153.40

I agreed the balance on the bank reconciliation back to bank statements and cashbook balances recorded on the Sage. All bank reconciliations had been prepared by the RFO and signed off by a councillor, this is properly evidenced on the bank reconciliations and the bank statements.

There was a difference of £1795 between sage and the bank statement on the current account at 31.3.26. This has been agreed to a schedule of cash takings from the restaurant in the final week of the financial year, this cash was held in the safe at balance sheet date. The year end reconciliation on the current account should be redrafted before financial year end to ensure this is clear to external audit.

Loans per box 10 to the accounts were £403,200 (24-25 £422,400)

This has been agreed to a year end statement available on the Debt Management Office website, and to relevant balance sheet codes on the sage balance sheet.

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, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.

Satisfactory – Accounts have been produced on the income and expenditure basis, this is appropriate as income and expenditure at the Council is above £200k. A box 7 to 8 reconciliation has been prepared, alongside the year-on-year variance analysis, and details of creditors and debtors. I do not audit these working papers; these are to be checked by external audit.

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K: If the authority certified itself as exempt from a limited assurance review in 24-25 , it met the exemption criteria and correctly declared itself exempt.

Not applicable, limited assurance review completed at UTC

L: The Authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements

Final Audit

The Council meets the requirements of the 2015 Transparency Code by publishing information on the "Transparency on Spend" tab on the website. I checked data at my final audit and sample checked the following:

- Expenditure data – transactions over £250 published to the end of February 2026 - March will be added on conclusion of this audit
- Grants awarded – published showing awards made in for 25-26
- Land - asset register and property management plan published.

Data was up to date and Transparency Code requirements are being met.

M - Arrangements for Inspection of Accounts

Inspection periods for 24-25 accounts were set as follows

Inspection - Key date	24-25 Actual
Accounts approved at Full Council	25 June
Announcement	26 June
Inspection period begins	27 June
Inspection period ends	7 August
Correct length	Yes – 30 days

The Council met the requirements of this control objective.

N: Publication requirements 24-25 AGAR

The Statement of Accounts, Annual Governance Statement and the external audit certificate for 24-25 are published in financial statements section of the Council website. The external audit certificate was clear.

The Conclusion of Audit certificate was published on 15 September, after the date of the audit certificate (13 September), and before the regulatory deadline of 30 September. The external audit certificate is to be reported to the meeting of Full Council on 20 October (agenda item 10.0).

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The Council is required by regulations to publish AGAR documentation for the previous 5 years. I have checked the Council website, and I was able to view AGAR documentation going back to the 2017-18 financial year.

O: The authority has complied with laws, regulations & proper practices relating to digital and data compliance.
Final Audit
The Council has completed a review of data management practices following the addition of Assertion 10 to the Annual Governance Statement. This was discussed at the General Purposes Committee meeting on June 8, with further review due at the Full Council meeting at the end of June. The Council confirmed it is compliant with the requirements of the Practitioners' Guide in this area, specifically setting out the following:

- IT policy in place, in process of update
- GDPR legislation followed, with policy and training updates underway
- Transparency Code requirements met
- Email management requirements met
- Website accessibility requirements met, the Council is undergoing a review to improve the website

P - Trust funds (including charitable) The council met its responsibilities as a trustee.

Satisfactory –The Council has confirmed to me that the Council is not sole trustee of a charity.

I would like to thank you and Sarah for your assistance with the audit. I attach my invoice and the Internal Audit Report from the AGAR for your consideration. I look forward to working with you again in 26-27.

Yours sincerely

M. Platten

Mike Platten CPFA

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APPENDIX A

MATTERS ARISING 25-26 AUDIT - FIRST INTERIM AUDIT

Matter Arising	Recommendation	Council Response
The Council should no longer accept cash when selling food / drink at functions.	This would reduce workload by eliminating the need for a cash float, and the controls needed around cash takings	**Not agreed at General Purposes Committee** **Follow up in 26-7**
Consideration should be given to purchasing a small number of card machines (such as Zettle / Sum Up / Square) for use at functions and in Luxfords.	This would provide ○ back up to the till ○ enable additional sales at busy events ○ enable sales at offsite events The Council should look to use a system that has an interface with the accounting system	**Follow up in 26-7**

SECOND INTERIM AUDIT

Matter Arising	Recommendation	Council Response
I could not agree the VAT return to the VAT control account at 31 December, a number of entries have not yet been input into the accounting system.	This must be actioned as part of year end closedown, and the Q4 VAT return should be agreed to the VAT control account at 31 March.	**Actioned see section A above**
The Council should obtain a VAT invoice from UHY for a payment made in July 25.	The document on file was a demand for payment that does not meet HMRC requirements.	**Obtained**
For 25-26, an additional assertion has been added to the Annual Governance Statement, this covers digital and data compliance. The Council is largely compliant with the requirements of the Practitioners' Guide in this area.	For clarity, it is recommended that the Council considers compliance with paragraphs 1.47 to 1.54 on page 14 of the Practitioners' Guide at a meeting before the end of the financial year. The Town Clerk is currently preparing a report on assertion 10 for consideration by the Council before the AGAR is approved.	**Actioned see section o above**

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YEAR END AUDIT

Matter Arising	Recommendation	Council Response
Compilation of Financial Statements	The Council should continue to streamline statutory accounting processes. This review should consider: - Removing fixed assets and capital accounts from the trial balance - Ceasing production of company style accounts, which are currently produced each year but not used. - Writing reports in Sage Accounts that enable year end accounts to be produced directly from the accounting system, with minimal reliance on spreadsheets External accountancy support with sector knowledge should be obtained to support this process.	
There is a difference of £7,125 on the Council VAT account. The RFO has completed a reconciliation and has identified reasons for this.	The Council should reclaim outstanding VAT owed in the next VAT return and seek to reconcile the VAT return to the VAT control account at the end of quarter 1 26-27.	
I have reviewed the accounts presented for audit, these show there is a balance of £15K not currently allocated to earmarked or general reserves.	Reasons for this unallocated reserve balance should be identified and appropriate accounting adjustments posted.	

General reserves at year end were £233K. This represents 17% of precept, which is below recommended levels set out in the Practitioners' Guide. General reserves are not sufficient for a Council of this size, dependent on income from non-precept activities and with an extensive fixed asset base.	It is recommended that the Council adopts a general reserve policy before the next round of budget setting, compliant with the requirements of the Practitioners' Guide. Budget setting for 27-28 should aim to increase the general reserve to recommended levels.	

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Appendix B

Internal Audit Control Objectives – Marked as not covered

Control Objective	Area for Audit	Why this has not been audited
K	Exemption from limited assurance review	Council had limited assurance review last year
P	Trusts	No Trusts

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