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RLT AUDITING

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MORETON SAY PARISH COUNCIL

INTERIM INTERNAL AUDIT REPORT FOR FINANCIAL YEAR 2025/6

INTRODUCTION

As the Council's internal auditor, I am appointed to independently carry out an examination of areas which meet the internal control objectives as listed on page 4, the Annual Internal Audit Report section, of the Annual Governance and Accounts Return (AGAR) for the year ended 31st March 2026. This involves testing the Council's compliance with the assertions on p.4 of the AGAR, referring to best practices as outlined in the SAPPP Practitioners' Guide 2025, published March 2025.

I have carried out a mid-year internal audit of areas which I can examine at this point in the year; this involves checks relating to the Transparency Code and publication of last year's AGAR, as the deadlines associated with publishing this information are by 1st July and 1st October 2025. I also checked for periodic bank reconciliations. The checks were carried out on 2nd January 2026.

I would like to thank Jane for her assistance. Should you have any queries with this report please do not hesitate to get in touch.

DETAILED FINDINGS & RECOMMENDATIONS

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

In-year budget monitoring – this is in place and I saw the mid-year budget report reported to council.

Budget & Precept setting process for 2026-7 – this was adequate and the precept and budget were agreed on 22nd January 2026 at a council meeting. The precept set is £14,323 and this matches the minutes. Other predicted income is bank interest £600.

The council's anticipated spend for 2026-7 is £12,680. The budget allows for a surplus.

Reserves – when setting the budget, the council predicted there would be an overall balance of £27,911 as at 31.3.26. Of this, £28,660.26 is CIL (NF) which is a ringfenced reserve. This means the general reserve is £749.26. SAPPP guidance is that general reserves (total reserves less ringfenced) should be between 3 and 12 months of planned net revenue spend (spend on routine items not special projects/things funded by ringfenced reserves). Therefore, the reserve is only about 6% of planned spend for 2026/7, although I acknowledge some of the spend planned is grants and S137.

Internal control objective met?

Recommendations:

Aim to build general reserves (as defined in SAPPP) up to between 3 and 12 months' of net revenue spend. I note some surplus is factored into the 2026/7 budget.

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

I have examined a mid-year bank reconciliation covering the period to end of September 2025 and found it to be accurate and reported to council.

Re-assess at year-end

Internal control objective met? YES

Recommendations: None.

K If the authority certified itself as exempt from a limited assurance review in 2024/5, it met the exemption criteria and correctly declared itself exempt?

The Council did not meet the exemption criteria, so this does not apply.

Internal control objective met? N/A

Recommendations: None.

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?

Before 1st July, publish:

- The Annual Internal Audit Report (recommended but not mandatory);
- The Annual Governance Statement;
- The Accounting Statements;
- A declaration that the accounts are as yet unaudited;
- Details of the arrangements for the exercise of public rights;
- The name and address of the External Auditor
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Before 1st October, publish:

- Notice of the conclusion of the audit;
- The Annual Governance Statement (including any amendments as a result of the limited assurance review);
- The Accounting Statements (including any amendments as a result of the limited assurance review);
- The External Auditor Report and Certificate.

I checked the website on 2nd January 2026.

Internal control objective met: YES

Recommendations: None.

M. In the year covered by the AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations?

The authority did prepare a notice of exercise of public rights and it was published on the website with the correct dates.

Internal control objective met: YES

Recommendations: None.

N. The authority has complied with the publication requirements for the 2024/5 AGAR?

Before 1st July, the authority must publish:

- Annual Internal Audit Report
- Section 1 AGAR – Annual Governance Statement
- Section 2 AGAR- Accounting Statements
- Analysis of variances
- Bank reconciliation
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

Internal control objective met: YES
Recommendations: None.