



OFFICE ELITE

INTERNAL AUDIT



SHAVINGTON
CUM
GRETTY

Council:

Shavington-cum-Gresty Parish Council

Auditor:

Sabrina Doherty

Questions and Responses

Please see following pages...

INTERNAL AUDIT REPORT

About Office Elite Limited

Office Elite Limited is an Office Support and Technical Services and Consulting Practice owned and run by Sabrina Doherty who is a CiLCA qualified clerk with 26 years of Local Government experience, maintaining Principal membership of the Society of Local Council Clerks. She is partnered by Steven Doherty who has 25 years of experience in the IT industry.

Sabrina started conducting Town and Parish Council Audits in 2024 having practiced as a Clerk since 2019.

This review has been conducted by Sabrina Doherty PSLCC who is the appointed Internal Auditor for the Council.

INTERNAL AUDIT REPORT - continued

Key Findings

Accounting Records

A1: Are the cash book or accounting records kept up to date throughout the year?

Auditor Response: Yes

A1: What accounting system does the authority use?

Auditor Comment: The Council uses sector specific accounting software which produces the necessary reports and returns.

A2: Are monthly control totals or cash summaries reviewed so errors are spotted promptly?

Auditor Response: Yes

A3: Do opening balances for the year agree to the prior year closed accounts / AGAR?

Auditor Response: Yes

A4: Is there a clear audit trail from bank entries and invoices back to the accounting records?

Auditor Response: Yes

Governance, Expenditure & VAT

B1: Have Standing Orders been formally adopted and kept current?

Auditor Response: Yes

B2: Have Financial Regulations been formally adopted and kept current?

Auditor Response: Yes

B3: Is expenditure approved in line with Financial Regulations, delegated authority and minuted decisions?

Auditor Response: Yes

B4: Is each payment supported by an invoice/receipt and, where relevant, VAT evidence?

Auditor Response: Yes

B5: Have procurement and tender thresholds in Financial Regulations been followed for larger purchases/contracts?

INTERNAL AUDIT REPORT - continued

Key Findings

Auditor Response: Yes

B6: Have direct debits, standing orders or recurring payments been approved and reviewed periodically?

Auditor Response: Yes

B7: Are online banking users, approval limits and dual authorisation set up appropriately?

Auditor Response: Yes

B8: Is VAT correctly identified, recorded and reclaimed or paid where appropriate?

Auditor Response: Yes

B9: If debit or credit cards are used, are they governed by policy, spending limits and review?

Auditor Response: Yes

Risk Management

C1: Has the authority reviewed and approved a risk assessment during the year?

Auditor Response: Yes

C2: Has insurance cover been reviewed to ensure key risks and assets are adequately insured?

Auditor Response: Yes

C3: Is fidelity guarantee / employee dishonesty cover in place at a level appropriate to funds handled?

Auditor Response: Yes

C4: Has the council reviewed the effectiveness of its internal control arrangements during the year?

Auditor Response: Yes

C5: Are there arrangements to prevent and detect fraud and corruption (for example approvals, separation of duties or counter-fraud awareness)?

Auditor Response: Yes

INTERNAL AUDIT REPORT - continued

Key Findings

Budgetary Control

D1: Was the annual budget approved by council before the start of the financial year?

Auditor Response: Yes

D2: Did the precept or rates demand result from the approved budget and receive formal approval?

Auditor Response: Yes

D3: Were budget monitoring reports presented to council during the year?

Auditor Response: Yes

D4: Were general and earmarked reserves reviewed and is the level of reserves explained?

Auditor Response: Yes

Auditor Comment: Given the amount of expenditure is increasing and other income is limited, the Council should consider increasing the general reserves lower limit to ensure it has enough funds to cover committed costs for a minimum of 6 months.

Income

E1: Have fees, charges, rents or other regular income rates been reviewed and approved where relevant?

Auditor Response: Yes

E2: Is all expected income recorded promptly and completely in the accounting records?

Auditor Comment: Could not test as access to Scribe was not granted. The Clerk advises that all income has been received.

E3: Is income banked promptly and intact?

Auditor Response: Yes

Auditor Comment: December bank statement shows a cash deposit being paid in which is attributed to the sale of heritage books, however no other corresponding paperwork provided to enable it to be tracked to this retail item.

E4: Are grants, CIL or other restricted income streams tracked against any conditions or permitted use?

INTERNAL AUDIT REPORT - continued

Key Findings

Auditor Response:Yes

Auditor Comment:Grants received are given their own budget code to enable tracking.

E5:Are debtors, arrears or unpaid invoices monitored and followed up where relevant?

Auditor Response:N/A

Auditor Comment:Clerk advises no outstanding debts. Unable to test.

Payroll

G1:Are staffing structure, contracts and salary scales approved by the authority?

Auditor Response:Yes

G2:Is payroll operated in accordance with PAYE, NI and pension requirements?

Auditor Response:N/A

Auditor Comment:External Provider - unable to test as documents given were password protected.

G3:Are salary changes, overtime, expenses and honoraria approved before payment?

Auditor Response:Yes

G4:If member allowances are paid, are they approved and correctly reported?

Auditor Response:N/A

Assets & Investments

H1:Is the asset register complete, current and reviewed at least annually?

Auditor Response:Yes

H2:Are additions, disposals and ownership/rights changes properly approved and reflected in the asset register?

Auditor Response:Yes

Auditor Comment:Updates are reflected in the register as required following approved purchases. The Council needs to ensure that the asset register is reviewed annually prior to the approval of the AGAR so that it can confirm that the figures on the accounting statements are accurate.

H3:Does the asset register broadly agree to insurance schedules and other key

INTERNAL AUDIT REPORT - continued

Key Findings

H3:records?

Auditor Response:Yes

Auditor Comment:The policy is standard for the sector - it appears to cover all of the assets listed as necessary. If not recently carried out (within the last 3-5 years) the Council should consider commissioning a building re-instatement valuation to ensure the cover is adequate.

H4:Are investments and long-term deposits recorded, authorised and reviewed?

Auditor Response:N/A

Bank Reconciliation

I1:Are bank reconciliations completed regularly for all bank and deposit accounts?

Auditor Response:Yes

I2:Are bank reconciliations independently reviewed and evidenced?

Auditor Response:Yes

I3:Are unusual reconciling items, old unrepresented payments or transfers investigated promptly?

Auditor Response:N/A

Year-End Accounts & AGAR

J1:Were the year-end accounts prepared on the correct accounting basis for the authority?

Auditor Response:Yes

J2:Do the AGAR accounting statement figures agree to the underlying cash book / ledger and reconciliations?

Auditor Response:Yes

J3:Where applicable, are debtors, creditors, accruals and other year-end adjustments properly recorded?

Auditor Response:Yes

J4:Have the AGAR boxes, cross-casts and prior-year comparatives been checked before approval?

INTERNAL AUDIT REPORT - continued

Key Findings

Auditor Response:Yes

J5:For Accounting Statements Box 11, do the figures include any trust transactions?

Auditor Response:No

Website, Publication & Public Rights

L1:Does the authority maintain an active website or webpage that is accessible to the public?

Auditor Response:Yes

L2:Are core governance and finance documents published and kept up to date on the website?

Auditor Response:Yes

L3:Is the authority's website content sufficiently current at the time of internal audit?

Auditor Response:Yes

L4:Where the Transparency Code applies, are the required transparency publications available?

Auditor Response:Yes

M1:Were the dates for the exercise of public rights set correctly for the prior year's accounts?

Auditor Response:Yes

M2:Was the notice of public rights published with the required supporting documents?

Auditor Response:Yes

M3:Were records available for inspection during the public rights period if requested?

Auditor Response:Yes

Auditor Comment:No requests were received to view the documents.

N1:Was the prior-year AGAR publication pack complete (including the required sections, notices and external auditor report where applicable)?

INTERNAL AUDIT REPORT - continued

Key Findings

Auditor Response:Yes

Auditor Comment:External Audit noted an incorrect response to Assertion 5. This issue has been remedied for the 2025-26 year.

N2:Did the prior-year AGAR publication pack remain available on the website / webpage at the time of internal audit?

Auditor Response:Yes

Auditor Comment:Ideally the Council would have a page on the website dedicated to the 5 years worth of AGARs required and the associated documents and notices to make this easy to locate and ensure that prior years are available as required. It took a little guess work to locate the external audit report as it wasn't linked with the initial AGAR publication.

Internal Audit & Follow-up

AU1:Has an independent internal auditor been appointed for the year?

Auditor Response:Yes

AU2:Did the internal auditor have access to records and report their findings to the authority?

Auditor Response:Yes

AU3:Are recommendations from internal and external audit logged, tracked and given target dates?

Auditor Response:Yes

AU4:Has the council formally considered audit reports and minuted actions taken or planned?

Auditor Response:Yes

Legal Compliance & Commitments

LC1:Were any actual or potential breaches of law, regulation or proper practice identified during the year?

Auditor Response:Yes

Auditor Comment:A member of staff has been provided with a debit card contrary to the financial regulations. This is being addressed following year-end.

LC2:Where the authority relies on the General Power of Competence, is the

Audit Approval Date: 16/05/2026 16:05

INTERNAL AUDIT REPORT - continued

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LC2:enabling resolution current and properly evidenced?

Auditor Response:Yes

LC3:Were there any significant litigation matters, liabilities, commitments or post-year-end events with financial impact?

Auditor Response:No

LC4:If such matters existed, were they reflected in or considered for the year-end accounting statements?

Auditor Response:N/A

IT & Data Management

O1:Has the authority adopted and reviewed an IT policy within the last 12 months?

Auditor Response:Yes

O10:Have staff and councillors received basic IT, cyber security or data protection awareness guidance/training?

Auditor Response:Yes

O11:Where third-party systems or suppliers store council data, are there appropriate contracts or processor terms in place?

Auditor Response:N/A

O12:Are electronic records stored in an organised way so key documents can be retrieved promptly for audit, FOI or subject access requests?

Auditor Response:Yes

O2:Is responsibility for IT systems and data management clearly assigned?

Auditor Response:Yes

O3:Is the authority registered with the ICO and is the registration current?

Auditor Response:Yes

O4:Are a Data Protection policy and Privacy Notice adopted and current?

Auditor Comment:Whilst the Council has relevant documents in place, these need to be reviewed. For this year we can tick 'yes' to the Control Objective where things are present but may not have been reviewed.

INTERNAL AUDIT REPORT - continued

Key Findings

Auditor Comment: Recommend the Council undertake a review in the 2026-27 year as this may be a 'Fail' for the year-end next year.

05: Is there a records retention schedule and secure disposal process for paper and electronic records?

Auditor Response: Yes

06: Are council email accounts, domains and user access controlled so leavers can be removed promptly and only authorised users have access?

Auditor Response: Yes

Auditor Comment: The evidence shows access to a leaving Councillor's mailbox being granted to the Clerk. This is not correct practice - the mailbox should just have been deleted. The Councillor is unlikely to have records that the Clerk does not already have so there is no reason to retain the mailbox and its contents.

07: Which baseline cyber controls are in place?

Auditor Comment: The Council has the standard protections in place.

08: Are council files, email or systems backed up and can data be restored if needed?

Auditor Response: Yes

Auditor Comment: Use of MS365 sharepoint or teams or one drive is not a true backup - files are synched across to devices and when a document is deleted in one place, it is deleted in them all. The standard Microsoft backup goes back 90 days - after that it is lost. The Council will need a third party supplier to provide snapshot backups which can be retrieved if the worst were to happen - these should be tested to ensure they work.

09: Is there a documented process for reporting and managing cyber incidents or personal data breaches?

Auditor Response: Yes

AUDITOR SUMMARY AND RECOMMENDATIONS

Overall the Council has many of the required policies and procedures in place. There is more work to do with regard to the Assertion 10 requirements, however the Council has the basics in place already and so we are able to respond 'Yes' on this year's AGAR. The Council should be advised that the External Auditors will be reviewing this Assertion closely this coming year and so efforts should concentrate

INTERNAL AUDIT REPORT - continued

Key Findings

on getting this area of compliance up to standard. I would suggest a review of the website for compliance with W3C requirements be undertaken as a minimum and consideration of the structure of pages be carried out as it was difficult to navigate cleanly.