

**Chard Town Council  
Internal Audit Financial Year 2025/26**

<b>Internal Control Objectives (ICO)</b>	<b>Test</b>	<b>Observations/Recommendations</b>	<b>Notes</b>
<b>ICO A</b> Proper bookkeeping	Is the cash book maintained and up to date?	Yes.	Rialtas.
	Is the cash book arithmetically correct?	Yes.	
	Is the cash book regularly balanced?	Yes.	
<b>ICO B</b> Standing Orders, Financial Regulations and Payment Controls	Has the council adopted Standing Orders formally? Latest date of review and re-adoption.	Yes. March 2025.	
	Has the council adopted Financial Regulations formally? Latest date of review and re-adoption.	Yes. May 2025.	
	Has a Responsible Financial Officer been appointed with specific duties?	Yes.	
	Have items or services above the <i>de minimis</i> amount (per FinRegs) been purchased competitively?	n/a	
	Are payments in the cash book supported by purchase orders, invoices, authorised and minuted?	Yes.	Payments schedules are ideally attached to Minutes. A more regular routine for FinCom review and

			approval would bolster governance.
	Has VAT on payments been identified, recorded and reclaimed?	Yes.	
<i>EITHER</i>	Is s137 expenditure separately recorded and within the statutory annual limit?	Yes	Described as donations or grants, some of which will not be s137. Suggest specific reference to s137 in minutes.
	Have s137 payments been approved and included in the Minutes as such?	Not explicitly.	Suggest add specific references. Suggest a separate 'Grants Register' for each financial year, including the power used to award.
<i>OR</i>	Is eligibility for the General Power of Competence evidenced properly?	n/a	
	Date of adoption/confirmation of GPoC; next date for re-adoption	n/a	
<b>ICO C</b> Risk Management Arrangements	Does a review of the Minutes identify any unusual financial activity?	No.	
	Do Minutes record the Council carrying out an annual risk assessment or review of their risk management scheme?	No.	Review and implement asap.

	Date of Risk Assessment /Management Policy review and adoption.	n/a	
	Is insurance cover appropriate and adequate?	Yes.	Standard sector provider.
	Are internal financial controls documented (is there an adopted policy, and are IC checks noted in Minutes?) and regularly reviewed?	No.	Implement, alongside more regular FinCom meetings.
<b>ICO D</b> Budgetary controls	Has the Council prepared an annual budget in support of its precept and has this been minuted separately as being approved?	Yes.	
	Has the precept been calculated from the budget and been approved as a £figure as a separate Minute?	Yes.	
	Does the budget include an actual completed year?	Yes.	
	Is expenditure against budget regularly reported to council?	Yes.	
	Are there any significant unexplained variances from budget?	No.	
	Where necessary, does the council have a formal Investment Policy (bank balances over £100K)?	Yes.	
	Has the Council agreed a General Reserve Policy?	Yes.	

	Are General Reserves and Ear-marked Reserves specifically noted in the Budget? Are specific justifications available?	Both are reviewed explicitly during the year, and appropriate virements approved.	
<b>ICO E</b> Income Controls	Is income recorded properly and banked promptly?	Yes.	
	Does the precept recorded agree to the Council Tax authority's notification?	Yes.	
	Are security controls over cash and near-cash adequate and effective?	Yes.	
<b>ICO F</b> Cash Procedures	Is all cash spent recorded and supported by VAT invoices/receipts?	Yes.	
	Is cash expenditure reported to each Council meeting?	Yes.	
	Is cash reimbursement carried out regularly?	Yes.	
<b>ICO G</b> Payroll Controls	Do all employees have contracts of employment with clear terms and conditions? Were they, or a statement of employment particulars, issued on or prior to Day 1 of employment?	n/a	No new employees during the financial year – previous contracts checked in previous years.
	Do salaries paid agree with those approved by the Council?	Yes.	Approved at beginning of financial year.

	Are salaries above the National Living Wage / Minimum Wage?	Yes.	
	Are other payments to employees reasonable and approved by the Council?	Yes.	
	Have PAYE/NIC been properly operated by the Council as an employer?	Yes.	
	Has the council complied with the requirements of the Pensions Regulator?	Yes.	Clerk confirmation.
<b>ICO H</b> Asset Controls	Does the Council maintain a register of all material assets owned or in its care?	Not received.	
	Are the assets and investments registers up to date? When were these last reviewed?	Yes.	Reviewed at end of financial year.
	Does the asset insurance valuations agree with those in the asset register?	n/a	Aviva insurance operates on basis of precept, not individual asset values.
<b>ICO I</b> Bank account reconciliations	Is there a bank reconciliation for each account and is this reported to Council?	Yes.	
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes.	For meetings of the Finance, Audit and Grants committee.
	Are there any unexplained balancing entries in any reconciliation?	No.	

<b>ICO J</b> Year-end Procedures	Are year-end accounts prepared on the correct accounting basis? (Receipts and Payments, or Income and Expenditure)?	Yes – I&E.	
	Do accounts agree with the cash book?	Yes.	Produced directly from accounting system.
	Has a year-end bank reconciliation been undertaken?	Yes.	Routine.
	Is there an audit trail from underlying financial records to the accounts?	Yes.	
	Where appropriate, have debtors and creditors been recorded properly?	Yes.	
<b>ICO K</b> Exemption from limited assurance review (“external audit”)	For the previous financial year (2024/25) did the council correctly declare itself exempt?	n/a	
<b>ICO L</b> Transparency: For smaller councils with turnover over £200,000	Have the following been published? All items of expenditure above £500; List of councillor or member responsibilities; Location of public land and building assets; Minutes, agendas and papers of formal meetings; organisation chart; list of employees with annual salary >£50K.	Yes; yes (within Minutes); No; Yes; No; No.	Asset register not posted since 2024. Add organisation chart and list of employees paid more than £50K.

<b>ICO M</b> Exercise of public rights	Did the council correctly arrange for public rights inspection of the accounts (2024/25)?	Yes.	
<b>ICO N</b> Publication of 2024/25 AGAR	Were the following published? Governance statement; Accounting Statements; Internal Audit Report(s); Limited Assurance Review certificate; Notice of Conclusion of Audit.	Yes; yes; yes; yes; yes.	
<b>ICO O</b> Digital & Data Compliance*	Has the council adopted a Data Protection Policy?	Yes.	
	Has the council put in place Privacy Notices?	Yes.	
	Is the council registered with the Information Commissioner's Office?	Yes.	
	Does the council's website meet accessibility requirements?	Yes.	Accessibility audit carried out 1/12/25.
	IT Policy: date adopted. Does it include training requirements for councillors?	No.	IT policy should be reviewed and adopted.
	Publication Scheme – has the council adopted an ICO-compliant publication scheme?	Yes.	
	FoI/SAR – does the council have a clear procedure for dealing with these?	No.	Suggest adopt dedicated procedures.

	Does the council own its website? (Best practice .gov.uk, but .org.uk acceptable.)	Yes.	
	Does it operate with at least one council-owned email address?	Yes.	
<b>ICO P</b> Councils with Charities	Are all Charities up to date with Charity Commission filing requirements?	n/a	
	Has the council been named as Sole Trustee on the Charity Commission Register?	n/a	
	Is the council as sole trustee acting in accordance with the Charity Trust Deed?	n/a	
	Are the Charity meetings and accounts recorded separately from those of the Council?	n/a	
<b>Other areas of audit</b>			
Procedural/best practice	Have points raised on the last Internal Audit report been considered by Council, actioned and minuted?	Partially.	Some work still to undertake. See standalone report.
Councils that are Burial Authorities	Records of burials and EROBs tally with receipts?	Yes.	
Councils with Allotments	Correct notice given of increases in fees?	Yes.	
	Appropriate leases in place?	Yes.	

\* New Internal Control Objective O (Trust Funds become ICO P): “The authority has complied with laws, regulations & proper practices relating to digital and data compliance.”.

Per Pro Services Ltd  
May 2026