

5 Maple View
Kewstoke
Weston super Mare
BS22 9XQ
Tel 07859911204
Email lacas24@yahoo.com

Date 11th June 2026

INTERNAL AUDIT – CHEW MAGNA PARISH COUNCIL

I have been appointed to undertake the internal audits at Wembdon Parish Council. The annual internal audit for 2025/26 financial year was completed on 11th June 2026.

I can confirm that I am independent of the Parish Council.

The scope of my work is limited to completing the audit testing and enquiries I deem necessary to complete the Annual Internal Audit Report for Local Councils in England. I 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. In providing internal audit services I am not conducting a financial statement audit in accordance with standards and guidelines issued and my procedures are not designed to provide assurance over the reliability and quality of your financial statements. This will be undertaken by the Council's appointed External Auditor.

I am 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 controls are included in the following report.

The Audit has identified a number of recommendations to help update and improve the Council's current procedures.

Thank you for all the information you have provided to enable the audit to be undertaken.

A large black rectangular redaction box covering the signature area.

Tony Jay

Outlined below is an overview of the 10 Assertions within the Practitioners Guide 2025. Each of these are dealt with under the relevant Governance sections contained in Section 1 of the AGAR:

AGS Assertion 1 — Financial management and preparation of accounts

- Accounting Records and supporting documents:
- Bank reconciliation:
- Budget setting:
- Investments:
- Reserves:
- General Reserves:
- Earmarked and other reserves:

AGS Assertion 2 — Internal control

- Standing Orders and Financial Regulations:
- Safe and efficient arrangements to safeguard public money:
- Employment:
- VAT
- Fixed assets and equipment:
- Loans and long-term liabilities:

AGS Assertion 3 — Compliance with laws, regulations and proper practices

- Acting with its powers:

AGS Assertion 4 — Exercise of public rights

AGS Assertion 5 — Risk management

AGS Assertion 6 — Internal audit

AGS Assertion 7 — Reports from auditors

AGS Assertion 8 — Significant events

AGS Assertion 9 — Trust funds (local councils only)

AGS Assertion 10 — Digital and data compliance

The following headings are based on Section 1 – Annual Governance Statement.

It should be noted that the audit requirements have changed considerably in 2025-26 and many councils will have not complied with all of the new requirements. This is not to be viewed as a criticism of clerks and councillors, but is an ongoing learning requirement.

A. Appropriate accounting records have been properly kept throughout the financial year.

The Parish Clerk is the RFO as required under S151 of the LGA 1972.

The Council maintains its accounts using a spreadsheet. A sample of the financial transactions between 1st April and 31st March 2026 has been undertaken. The following checks were carried out:

- A review of the cashbook against the bank statements and invoices paid;
- A sample of Payments have been checked against the bank statements to verify accuracy;
- Expenditure incurred is appropriate.

There is a proper process in place to ensure that financial information is correctly recorded and reported to Council as part of its governance procedures. Procedures are included in the Financial Regulations.

Standing Orders were reviewed in November 2025, but these are not the latest NALC template version and are dated 2019. The latest version of Standing Orders should be adopted as soon as possible.

Financial Regulations were reviewed in April 2026.

A budget update is presented to Council at each meeting. A list of invoices for payment to be made is presented at meetings. Approvals are minuted in the Council minutes and payment is by cheque. All payments are authorised by two Councillors.

Consideration should be given to payments being made by BACS, not cheques. The use of cheques is now considered to be an outdated practice for councils and makes the bank reconciliation process more complicated than it needs to be. Cheques may not be banked for a considerable period of time and on occasion even in the wrong financial year, which has happened this year.

The Council has a Risk Management Strategy in place.

There is appropriate segregation in place and an adequate process to enable the detection and identification of potential fraud.

The year end bank reconciliation has been completed. This was referenced back to the bank statements. The final balance held by the Council amounts to £98,872 on 31st March 2026.

The Council has partially met this this control objective and can tick YES to point one of the governance section of the 2025-26 AGAR if the latest version of Standing Orders are adopted as soon as possible.

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

Tenders and Contracts are governed by Financial Regulations. All contracts being tendered should be published on the Parish Council's website as well as the Find a Tender portal where required.

Standing Orders are not based on the latest NALC template version. Financial Regulations are based on the latest NALC template version but are not posted on the council website.

The invoices procedure is as follows:

- On receipt reviewed for accuracy;
- Coded to correct cost centre;
- Invoices are printed and filed;
- Payment schedule presented at each meeting for approval;
- Payments ratified at each meeting;
- Invoices are kept in secure storage.

There is appropriate segregation in place.

VAT is claimed annually. £1485.44 was claimed in 2024-25. Accurate VAT records are maintained.

The Council does not have a credit or debit card in place.

The Council does not have General Power of Competence in place.

The Council has partially met this this control objective and can tick YES to point two of the governance section of the 2025-26 AGAR if the latest version of Standing Orders are adopted as soon as possible and Financial Regulations are posted on the council website.

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

The Council has a Financial Risk Register in place, but this is not posted on the council website.

An Asset Register is in place, but this is not published on the website. This needs to be done as soon as possible. The value of assets meets Box 9 of the AGAR: £61,611.

The Council is insured with Zurich. Cover runs from 1st June 2025 to 31st May 2026.

A review of the insurance policy has been undertaken and Council is adequately insured.

Play area inspections are carried out monthly by GB Sports. An annual RoSPA playground inspection is carried out.

The Council has adequate internal controls in place to ensure that it carries out its day-to-day business effectively and efficiently.

The Council has met this control objective.

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

At its meeting held on 7th January 2025 the council formally approved the budget and the setting of a precept. (Minute 2501.07c). The precept resolved was £39,500. This is an increase of £1,000 on the previous year. An explanation for this increase should have been included in the meeting minutes.

It has been confirmed that a precept of £39,500 was requested,

At the start of the 2025-26 financial year the council held £92,455 in reserves. At the end of the financial year this had increased to £98,872.

The council is holding over double its precept in reserves. Councils should only hold between 50% to 100% of its precept in reserve, so efforts should be made to reduce the council's reserves during 2026-27. This could be achieved by an increase in expenditure on new projects or by reducing the 2027-28 precept substantially.

The council is holding a large sum in a current account which attracts no interest. Consideration should be given to investing a proportion of this sum in an interest paying account. For example, many councils invest with CCLA who currently pay around 4% in interest. £50,000 invested with CCLA would currently provide around £2,000 a year in interest.

The Council had the following Bank Statement Balances on 31st March 2026:

ACCOUNT	AMOUNT
HSBC Current Account	£83,857.46
NS&I Account	£16,069.30
Less Chew Valley Neighbourhood Trust (held on behalf of)	£784.03
Less unrepresented cheques	£270.00
TOTAL	£98,872.73

The Council is currently holding £25,406.76 in CIL funds.

The Council has met this control objective.

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

The Council has no aged debtors.

The Council does not manage an allotment site.

The Council is not a burial authority.

The Council does not hire out any venues.

The Council does not have any leases in place.

Council's other income for 2025/26 included VAT reclaim, notice board contribution, BANES footpath scheme and CIL income,

The Council has met this control objective.

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

The Council does not operate a petty cash system and did not make any cash payments during the financial year.

The Council has met this control objective.

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.

The Clerk does not have a contract of employment in place, which is a breach of employment law. Arrangements are being put in place for the Clerk to have a contract of employment.

Members do not receive a members' allowance.

A sample of staff salaries has been checked and confirmed. Salaries paid during the year have been reviewed. Gross pay is calculated in accordance with the relevant NJC scale.

Tax codes are included on the payslips and deductions properly calculated.

Payroll is undertaken using the HMRC payroll software.

No Pension contributions are made.

Employee National Insurance contributions have been deducted and both employee and employer National Insurance contributions are paid.

A test sample was undertaken, and it was confirmed that the correct net pay was paid to the employee with tax and NI contributions correctly deducted and paid to the respective agencies.

The Council has met this control objective.

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

An Asset Register is in place and has been reviewed. Asset purchase cost is recorded, and additional information is included where appropriate. The Asset Register is not published on the council website, which is an audit requirement.

The current Asset Register includes a number of additions as well as insurance value of relevant items and replacement values.

A comparison of the insurance schedule against the asset register has been undertaken. Council has adequate insurance cover in place.

Council has no long-term investments in place.

Council does not have any loans in place.

The Council has partially met this control objective and can tick YES to point one of the governance section of the 2025-26 AGAR if the Asset Register is posted on the council website as soon as possible.

I. Periodic bank account reconciliations were properly carried out during the year.

Bank reconciliations are being prepared monthly and are signed off by Full Council.

The Council has met this control objective.

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. Accounts are maintained on a receipts and payments basis.

The Council has met this control objective.

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”).

Not covered.

The Council has met this control objective.

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.

The following information should be published on the Parish Council's website under the Smaller Authorities Transparency Code ([SI/SR Template](#))

Expenditure exceeding £100

Local authorities must publish details of each individual item of expenditure that exceeds £100. Published in minutes.

End of year accounts

Annual publication no later than 1 July in the year immediately following the accounting year to which it relates. Published

Annual governance statement

Annual publication no later than 1 July in the year immediately following the accounting year to which it relates. Published

Internal audit report

Annual publication no later than 1 July in the year immediately following the accounting year to which it relates. Not Published

List of councillor or member responsibilities

Annual publication of councillor or member responsibilities no later than 1 July in the year immediately following the accounting year to which it relates. Not Published.

Location of public land and building assets

Annual publication no later than 1 July in the year immediately following the accounting year to which it relates. Parish councils and port health authorities to publish details of all public land and building assets – either in its full asset and liabilities register or as an edited version. Not published.

Minutes, agendas and papers of formal meetings

Publication of draft minutes from all formal meetings not later than one month after the meeting has taken place. Publication of meeting agendas and associated meeting papers not later than three clear days before the meeting to which they relate is taking place. Published.

Standing Orders are published on the council website, but they are dated 2019 which is an old version. The latest NALC Standing Orders should be adopted as soon as possible.

Financial Regulations are not posted on the website which is an audit requirement.

To comply with the revised audit procedures, these documents must be adopted, if not already adopted, and posted on the council website:

- Financial Regulations – not published on website.
- Complaints Policy – not published on website.
- Grievance Policy – not published on website.
- Discipline Policy – not published on website.
- Internal Control Policy – not published on website.
- IT Policy – not published on website.
- Procurement Policy – not published on website.
- Publication Scheme – not published on website.
- Retention Policy – not published on website.
- Subject Access Request Policy – not published on website.

The 2024-25 Internal Audit report is not included on the council website.

The minutes of the parish council meeting held on 3rd June 2025 show that the 2024-25 AGAR Accounting Statements were approved, but the 2024-25 AGAR Annual Governance Statement was not approved which is an audit requirement.

Page 3 of the 2024-25 AGAR (the Internal Audit Report) has not been published on the website which is an audit requirement.

The Council has not met this control objective and must tick NO to points five and ten of the governance section of the 2025-26 AGAR.

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*).

The publication requirements were met. The Notice states 16th June to 25th July 2025. This meets the statutory 30 day requirement.

Council formally minuted the dates of the Public Notice at its meeting held on 3rd June 2025 (Minute 2506.07c).

The Council has met this control objective.

N. The authority has complied with the publication requirements for 2024/25 AGAR.

Publication Requirements Under the Accounts and Audit Regulations 2015, Authorities must publish the following information on the authority website/webpage: Before 1 July 2025 authorities must publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited: Published
- Section 1 - Annual Governance Statement 2024/25, approved and signed, page 4: Published. The approval of the Annual Governance Statement was not resolved in a council meeting.
- Section 2 - Accounting Statements 2024/25, approved and signed, page 5: Published

The Council has partially met this control objective.

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

Council has a gov.uk email addresses for its Clerk/RFO and its Councillors.

The Council has not adopted an IT policy.

The Council website does not have an Accessibility Statement.

Note that since September 2020, all parish and Parish councils must have a website that complies with Website Content Accessibility Guidelines (WCAG). As from

October 2024 that rating level changed from WCAG2.1 AA to WCAG2.2AA so that it meets Accessibility Guidelines as set in the Public Sector Bodies Accessibility regulations.

It has been confirmed that Chew Magna Parish Council website does not currently comply with WCAG 2.2 AA. It achieves 71% and is needs improvement: [Scan Results — CompliaScan](#)

Accessibility has been reviewed and the parish council section of the website scores 10 out of 10. [WAVE Report of Chew Magna Parish Council](#)

Data Protection requirements:

- Data Protection Officer – The Parish Clerk has been appointed.
- Data Audit: Not in place.
- Training for staff and Councillors: Training package is in place.
- Data Protection Policy: Not in place.
- Secure data to protect it from Data Breaches: Not in place.

The Council has the following data governance policies in place:

- Privacy Notice – In place
- Data Protection Policy – Not in place
- Document Retention Policy – Not in place
- Subject Access Request Policy – Not in place
- Data Breach Policy – Not in place
- FOI Publication scheme – Not in place
- Freedom of Information – Not in place

The Council has not met this control objective and must tick NO to point ten of the governance section of the 2025-26 AGAR.

P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.

The Council is not a sole trustee.