



Clerk to the Council
Albury Parish Council
Albury Village Hall
The Street
Guildford
Surrey
GU5 9AD

12th June 2026

Dear Cllrs

Re: Albury Parish Council
Internal Audit Report for Financial Year Ended 31 March 2026

Executive summary

Following completion of our internal audit on 12th June 2026, we are pleased to enclose our report for your review and presentation to the council. The audit was conducted in accordance with current professional standards and guidelines, employing a risk-based approach to our testing. While not all transactions were examined, our sample testing, where appropriate, covered the financial year to date.

The structure of this report aligns with the assertions set out in the Annual Internal Auditor Report section of the published Annual Governance and Accountability Return (AGAR). Each section begins with a summary of the assertion being assessed, followed by details of the testing undertaken, which was guided by the audit plan previously shared with the council. A copy of the audit plan is available upon request. The report concludes with our opinion on whether each assertion has been met as of the date of the audit. **Any recommendations for action are highlighted in bold and summarised in the table at the end of the report.**

Our testing identified a procedural and compliance matter which requires reporting and which is detailed against the relevant internal control objectives in the body of this report.

- The failure to publish the 2024/25 External Auditor's Report and Notice of Conclusion of Audit by the statutory deadline of 30 September 2025, and the absence of any formal report of the conclusion of the audit to full Council (Control Objective N);

The matters identified above are nevertheless reportable findings rather than refinements of an otherwise sound framework, and several of them will give rise to qualifications against specific assertions on the Annual Governance Statement. The Council should consider each recommendation on its merits and address them promptly as part of its response to this report.

I have completed the Annual Internal Audit Report page of the AGAR and provided this to the council for onward submission to the External Auditor.

Regulation

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. In addition to this, a smaller authority is required by Regulation 5(1) of the Accounts and Audit Regulations 2015 to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

Internal auditing is an independent, objective assurance activity designed to improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The primary purpose of internal audit is to assess and report to the authority on the effectiveness of its financial systems and other internal controls, including the operational procedures that support its activities.

The internal audit function involves testing and evaluating whether the authority’s internal control framework is both adequate and functioning effectively. Internal audit reports should be made available to all Members, providing a basis for informed decision making when considering the authority’s approval of the Annual Governance Statement.

Independence and competence

Your audit was conducted by Mark Mulberry of Mulberry Local Authority Services Ltd, who has over 30 years’ experience in the financial sector with the last 14 years specialising in local government.

Your auditor is independent from the management of the financial controls and procedures of the council and has no conflicts of interest with the audit client, nor do they provide any management or financial assistance to the client.

Engagement Letter and inherent risk assessment

An engagement letter was previously issued to the council covering the 2025/26 internal audit assignment, which includes the scope and plan of works and fee structure. Copies of this document are available on request from anna@mulberrylas.co.uk

In summary, our work will address each of the internal control objectives as stated on the Annual Internal Audit Report of the AGAR.

It is our opinion that the inherent risk of error or misstatement within the council’s financial systems is low. The internal control environment is considered reliable, and as such, substantive testing of individual transactions is not deemed necessary at this stage.

Audit testing will therefore consist of walk-through testing on a selection of sample data, covering the period under review within the current council year. This approach is designed to confirm that key controls are operating effectively throughout the financial period.

Table of Contents

A. BOOKS OF ACCOUNT	4
B. FINANCE REGULATIONS, GOVERNANCE AND PAYMENTS	4
C. RISK MANAGEMENT AND INSURANCE	8
D. BUDGET, PRECEPT AND RESERVES	9
E. INCOME	11
F. CASH	11
G. PAYROLL.....	11
H. ASSETS AND INVESTMENTS	12
I. BANK AND CASH	14
J. YEAR END ACCOUNTS	16
K. LIMITED ASSURANCE REVIEW	18
L: PUBLICATION OF INFORMATION	18
M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS.....	19
N: PUBLICATION REQUIREMENTS.....	20
O. DIGITAL AND DATA COMPLIANCE	21
P. TRUSTEESHIP	22
Achievement of control assertions at final internal audit date	23
Internal Audit – Summary of recommendations.....	24

INTRODUCTION

The audit was conducted remotely, with files and schedules provided by the Clerk, together with a review of documents posted to the council website.

[Welcome To Albury \(Surrey\) Parish Council - Albury \(Surrey\) Parish Council](#)

A. BOOKS OF ACCOUNT

Internal audit requirement

Appropriate accounting records have been kept properly during the year.

Audit findings

The council now uses the Scribe accounting package for recording the council's finances. This is an industry specific accounting package. The accounting package is updated regularly and used to produce management information reports for review at council meetings.

Every month, a "month end" close down is performed by the officers, various reports are printed and filed in hard & soft copy, these include but are not limited to, income and expenditure against budget, bank reconciliations and other reports as fit.

The system requires the population of key data fields to enable the user to record a transaction. This is a clear and easy to follow system and a review of the cashbook shows that all data fields are being entered with sufficient detail to identify the source and nature of the transaction.

I tested the opening balances as of 1 April 2025 by reviewing the balance brought forward on the receipts page on the Scribe accounting package and confirmed it could be agreed back to the investment reconciliation for the audited accounts for 2024/25.

I reviewed the nominal ledger entries for the period 1 April to 31 March to ensure items were posted to the correct heading and that there were no instances of netting off and the expenditure was correctly posted to the headings to which the line item related. This has confirmed that the accounting package is being properly used.

The council submits its VAT return on an annual basis.

CONCLUSION: I am satisfied this control objective has been met.

B. FINANCE REGULATIONS, GOVERNANCE AND PAYMENTS

Internal audit requirement

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

Audit findings

Confirm by sample testing that councillors sign statutory office forms

I confirmed by sample testing that councillors sign "Acceptance of Office" forms. **I recommend the form is amended to include formal acceptance to receive information by electronic means in the form "As per Schedule 12 of the Local Government Act 1972, I consent to the receipt of all council meeting papers by electronic methods. I understand I may withdraw this consent at any time"**

The council website includes a councillor page where the individual Register of Members' Interests forms are published.

Confirm that the council meets regularly throughout the year

Full council meets circa monthly. A diary of future meeting dates and historic agendas and minutes for meetings is published on the website.

Check that agendas for meetings are published giving 3 clear days' notice

I was able to confirm that at least 3 clear days' notice is given on agendas. Whilst we have not tested every single committee and council meeting there was no evidence of non-compliance in giving three clear days' notice of the meeting.

I note the council publishes the non-confidential supporting documents accompanying agendas on the council website in accordance with the requirements of the Information Commissioner's Office (ICO).

However, I do note that some months have no annexes at all or items were missing and some months the annexes are described and in others they are noted. This inconsistent approach has the effect of making the council appear disorganised and in the spirit of transparency makes document location difficult.

Recommendation: I recommend a grass roots review of the agendas and minutes pages to ensure a consistent and regular approach.

Check the draft minutes of the last meeting(s) are on the council's website

Draft minutes are uploaded to the council website and clearly annotated as draft.

Confirm that the Parish Council's Standing Orders have been reviewed within the last 12 months

The published Standing Orders are based on the current NALC model and were last reviewed and adopted by council in May 2026.

Confirm that the Parish Council has adopted and recently reviewed Financial Regulations

The published Financial Regulations are based on the current NALC model and were last reviewed and adopted by council in May 2026. The regulations contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council.

Check that the council's Financial Regulations are being routinely followed

Procurement

The council's adopted Financial Regulations include processes relating to procurement and include the following:

- *FR 5.6 For contracts estimated to exceed £60,000 including VAT, the Clerk shall seek formal tenders from at least three suppliers agreed by the council.*
- *FR 5.7 For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation regarding the publication of invitations and notices.*
- *FR 5.8 For contracts greater than £3,000 excluding VAT the Clerk or RFO shall seek at least 3 fixed-price quotes.*
- *FR 5.9 where the value is between £500 and £3,000 excluding VAT, the Clerk shall try to obtain 3 estimates which might include evidence of online prices, or recent prices from regular suppliers.*

- *FR 5.10 For smaller purchases, the Clerk or RFO shall seek to achieve value for money.*

The council had no contracts over £30,000.

Authorisation

The council's adopted Financial Regulations include thresholds at which authorisations to spend must be obtained as below:

5.15. Individual purchases within an agreed budget for that type of expenditure may be authorised by:

- *the Clerk, under delegated authority, for any items below £500 excluding VAT.*
- *the Clerk, in consultation with the Chair of the Council or Chair of the appropriate committee, for any items below £2,000 excluding VAT.*
- *a duly delegated committee of the council for all items of expenditure within their delegated budgets for items under £5,000 excluding VAT*
- *in respect of grants, a duly authorised committee within any limits set by council and in accordance with any policy statement agreed by the council.*
- *the council for all items over £5,000;*

Such authorisation must be supported by a minute (in the case of council or committee decisions) or other auditable evidence trail.

Based on the level of financial activity of the council, and through discussion with the Clerk, these authorisation thresholds appear appropriate.

The clerk explained the process as follows "Our process for making payments is that it is proposed at a meeting and put on the agenda for a payment to be made that isn't regular payments or previously approved. The portfolio holder will have checked the budget before the meeting to confirm, or the RFO will check during the meeting (or have to delay if necessary). Before any invoices are paid, they are sent through a system to get 2 approvals from councillors. I will then make the payment through the system (or by cheque)."

For a small council this is an appropriate method of payment authorisation and I can confirm from the minutes this process does appear to be followed.

Confirm the council has adopted the General Power of Competence (GPC) and met the eligibility criteria at the time of adoption, or if GPC not adopted, confirm all section 137 expenditure meets the guidelines and does not exceed the annual per elector limit of £11.10 per elector

The council does not have the General Power of Competence (GPC) and the section 137 payments are below threshold.

Confirm that checks of the accounts are made by a councillor

The system noted above details internal review takes place and I am under no doubt that council properly approves expenditure.

CONCLUSION: I am satisfied this control objective has been met.

C. RISK MANAGEMENT AND INSURANCE

Internal audit requirement

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

Audit findings

The council's adopted Financial Regulations include a section covering Risk Management and state:

2.1. The council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management. 2.2. The Clerk shall prepare, for approval by the council, a risk management policy covering all activities of the council. This policy and consequential risk management arrangements shall be reviewed by the council at least annually. 2.3. When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration by the council. 2.4. At least once a year, the council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.

I examined the council's risk assessment, which is presented as a matrix covering financial, business continuity, premises, recreation-ground and general administrative risks, with each risk assigned a likelihood rating, an existing control and an action. Coverage of the council's activities is, in substance, reasonable.

The council reviewed and approved the risk assessment at its meeting on 2 June 2025 (minute reference 108/25(c)). [Annex 6 - Risk-Assessments-2025.xlsx](#). I confirmed the approved document (Annex 6 to the June 2025 minutes) against the version subsequently published on the website [Risk-Assessments-2026.pdf](#) and found them to be the same in substance — identical risks, likelihood ratings, controls and actions — the later version differing only in its revision date of 1 May 2026.

Two matters arise. The assessment scores likelihood only, with no assessment of impact and no owner, target date or status against any action, so it does not, demonstrate the active, effective risk management required by Regulation 2.1. And I have not seen a separate risk management *policy* of the kind required by Regulation 2.2; the approved risk *assessment* is the output of a framework, not the framework itself.

Recommendation: The council should: progress the outstanding High-risk mitigations and record an owner, target date and status against each action so that the register evidences active management; add an impact dimension to the scoring to allow risks to be properly prioritised; confirm that a risk management policy exists, distinct from the assessment, and formally approve it (Regulation 2.2); ensure draft risk assessments are prepared for new activities (Regulation 2.3); and carry out and minute a review of the effectiveness of its system of internal control before approving the Annual Governance Statement (Regulation 2.4).

The Council is responsible for the maintenance and safety of its playground equipment. An annual independent inspection is commissioned. The playground items are listed on the risk register; however, they are listed as items requiring "regular inspections" I would suggest that an annual inspection of the playground is insufficient.

Recommendation: Increase the number of inspections and update the risk register as they appear to be out of alignment.

In accordance with FR 2.4, I was unable to confirm that the council carries out a review of the effectiveness of its internal controls. This includes receipt and review of internal and external audit reports, and details the additional internal control measures the council has put in place.

Recommendation: The council must demonstrate it carries out an annual review of the effectiveness of its internal controls in accordance with FR 2.4

I confirmed that the council has a valid insurance policy in place with Ecclesiastical which covers the year under review. Insurance cover for key assets of the council is consistent with the council's asset register.

The insurance policy includes Public Liability cover of £10 million, Employers Liability cover of £10 million and a Fraud & Dishonesty (Fidelity Guarantee) level of £250k which is sufficient for a council of this size, although the council is advised to keep this figure under review to ensure it covers the maximum balance held.

We discussed assertion 8 on the Annual Governance Statement and whether this had any impact on the council.

"We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements."

The Clerk confirmed that they were not aware of any event having a financial impact that was not included in the accounting statements.

CONCLUSION: I am satisfied this control objective has been met. However, improvements must be made for the 206/27 council year.

D. BUDGET, PRECEPT AND RESERVES

Internal audit requirement

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

Audit findings

Budget

The Clerk/RFO produces detailed budget monitoring reports from the accounting software; however, the minutes are light on the detail being discussed by councillors.

The year-end position records income of £80,452 against a budget of £56,908, the principal driver of the favourable variance being a receipt of S106 funds of £15,678.81. Expenditure totalled £62,235 against a budget of £56,908, this was driven by additional rates expenditure in the year.

Recommendation: I recommend that at least four times a year the council minutes a discussion about budget performance, this would then be in accordance with financial regulation 4.10

Precept

The council approved the 2025/26 budget and precept on the 2nd December 2024, minute ref 213/24 g. The precept requirement was £49,051. This has been agreed to the bookkeeping records of the council. I was able to confirm that the precept amount recorded in the accounts is correct, and equals the amount recorded in box 2 of the Accounting Statements.

The clerk confirmed that the 2026/27 budget and precept were approved by full council at the meeting held on 1 December 2025 (minute reference 176/25). The minute records only the percentage increase, however, and not the actual amount of the precept resolved. A percentage increase does not, of itself, evidence the sum

demanded; the precept is a statutory demand issued to the billing authority for a specified amount under section 41 of the Local Government Finance Act 1992, and the resolution is the council's authority for that sum.

Recommendation: The council should ensure that the resolution approving the budget and setting the precept records, as a minimum, the actual amount of the precept to be requested (in £), and preferably the total approved budget and the resulting Band D council tax, so that the minute stands as clear and self-evident authority for the figure demanded.

Reserves

The Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's guide provides updated guidance on the appropriate level of general reserves that councils should retain as below:

5.33 The general reserve of an authority comprises its cash flow and contingency funds to 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.

At the year-end, the council held circa £34,129.51 in reserves, split between categories as below:

- Capital EMR £nil
- CIL EMR £nil
- Earmarked EMR £9,535.59
- General Reserves £24,593.92

The general reserve balance falls within the range recommended in the Practitioners' Guide, which advises that general reserves should equate to between three and twelve months of net revenue expenditure. On the basis of net revenue expenditure for the year, this range would equate to approximately £15,000 to £55,000.

CONCLUSION: I am satisfied this control objective has been met.

E. INCOME

Internal audit requirement

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

Audit findings

Apart from the precept, the council receives income from a range of sources including room hire, interest & VAT refunds.

From a review of the accounting records, income appears to be recorded with sufficient narrative detail to identify the source and allocated to the most appropriate nominal code.

FR 13.2 states *'The council will review all fees and charges for work done, services provided, or goods sold at least annually as part of the budget-setting process, following a report of the Clerk. The RFO shall be responsible for the collection of all amounts due to the council.'*

I noted in the minutes of the May 2026 meeting fees were discussed [Annex 2 - Allotment Fee Increases](#)

There is no indication that a VAT registration is required.

CONCLUSION: I am satisfied this control objective has been met.

F. CASH

Internal audit requirement

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

Audit findings

No petty cash

CONCLUSION: The council has no petty cash and the testing for this internal control objective is not applicable.

G. PAYROLL

Internal audit requirement

Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.

Audit findings

The council has two employees on the payroll. All staff members will have a signed contract of employment, based on the NALC template, and the council is a member of the LGPS Pension Scheme. Performance reviews for staff members are completed annually by the Clerk, with their review conducted by The Chair

Payroll is outsourced to a third party, who complete all the PAYE calculations and provide the information to the council each month. I reviewed the payroll summary for March 2026, and the payroll deductions appear correct.

5.58 *The asset register should contain in its most simple form the date of acquisition, cost of acquisition, useful life estimate and location along with value held for investments; however, it is desirable for the register to contain other such supplementary information to enable the user to better understand the nature and scope of the use of the fixed asset. It is therefore recommended to show insurance value, replacement value, custodian, date last physically vouched.*

5.59 *Each authority may choose an appropriate minimum value for deciding between fixed assets and general consumables. The limit chosen will relate to expected useful life, whether the item would be included on an insurance claim and whether it is included in the risk assessment of the authority in any way. This minimum level is to be minuted and reviewed at least annually. The rationale and methodology should be recorded in the minutes.*

5.60 *One item or group of similar items shall be regarded for inclusion in the fixed asset register.*

5.61 *Assets should be first recorded in the asset register at their actual purchase cost.*

5.62 *Assets that are either under construction or have not been brought into use should be included on the asset register only once complete and they benefit the community.*

5.63 *Obsolete assets that are no longer in use or are awaiting disposal should be clearly recorded as such.*

5.64 *Where an authority receives an asset as a gift at zero cost, for example by community asset transfer, it should be included with a nominal one-pound (£1) value as a proxy for the zero cost.*

5.65 *Assets that do not have a functional purpose or any intrinsic resale value (for example, a village pond or war memorial) are often referred to as 'community assets'. Authorities should record community assets in the asset register in the same way as gifted assets.*

5.66 *The particular method of asset valuation is not specified in proper practices so authorities may use any reasonable approach to be applied consistently from year to year. The method of asset valuation adopted should be set out in a policy approved by the authority and recorded in the authority's minutes and in the asset register.*

5.67 *For authorities covered by this guide, the most appropriate and commonly used method of fixed asset valuation for first registration on the asset register is at acquisition cost. This means that the recorded value of the asset will not change from year to year, unless it is materially enhanced.*

5.68 *Commercial concepts of depreciation, impairment adjustments, and revaluation are not required nor appropriate for this method of asset valuation.*

5.69 *The total value of an authority's assets recorded on the asset register as at 31 March each year is reported at Line 9 on the authority's AGAR. Authorities should be able to track and explain fully any changes in the asset register from year to year.*

The year-on-year movement of £7,580 is attributable to the purchase a single asset on the 17th March.

Recommend: While the register satisfies the control objective, the council should develop it into a fuller working document in line with the guidance above by: adding the supplementary fields recommended at 5.58 (useful life estimate, value of any investments held, insurance value, replacement value, custodian, and the

date each asset was last physically verified); minuting a de minimis threshold for distinguishing fixed assets from consumables, reviewed at least annually (5.59); adopting and minuting an asset valuation policy applied consistently (5.66); and maintaining a record of additions and disposals so that the year-on-year movement can be tracked and explained (5.69).

The council has shares on the register totalling £10,000 which is the same value as the prior year.

The council has no borrowing

CONCLUSION: I am satisfied this control objective has been met.

I. BANK AND CASH

Internal audit requirement

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

Audit findings

Financial Regulation 2.6 states *'At every meeting of the Council, and at each financial year end, a member shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign and date the reconciliations against the original bank statements (or similar document) as evidence of this. This activity, including any exceptions, shall be reported to and noted by the council Finance Committee.'*

Bank reconciliations are completed monthly using the Scribe accounting package. I reviewed the year-end bank reconciliation for all accounts, and confirmed the balances as at 31 March 2026 to the bank statements without exception.

Co-Op Bank Current	£28,161.99 (agrees to statement)
Co-Op Bank Savings	£5,967.52 (agrees to statement – but not the rec presented for audit)
Petty Cash	-
Total	£34,129.51
Balance per AGAR	£34,129.51

The year-end reconciliation therefore agrees to the bank statements and the AGAR. However, the reconciliations presented for Audit do not agree to the figure reported in the Accounting Statements, a difference of £83.11. I noted from the minutes of the June 2026 meeting that the combined reconciliation was presented and this did agree to the AGAR. [Bank Reconciliation Summary](#)

The minutes record that the council received regular bank reconciliations, a number of which are published as annexes to the agendas and, on occasion, the minutes. The minutes typically record *"Bank reconciliation end of [month]; Annex [#] reviewed and approved against the [month] bank statement."* On this basis the council is being given the opportunity to review and approve the reconciliations in accordance with the Financial Regulations.

From this I can agree that council is being given the opportunity to review and sign off the bank reconciliations in accordance with financial regulations.

The council's deposits are held with a single banking institution. As the total held is below the Financial Services Compensation Scheme (FSCS) protection limit of £85,000 per banking licence, the deposits are fully protected.

The council's bank balances are below £100,000 and in accordance with the statutory guidance is not required to adopt an Investment Strategy.

CONCLUSION: I am satisfied this control objective has been met.

J. YEAR END ACCOUNTS

Internal audit requirement

Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.

Audit findings

The council is reminded that at its meeting to sign the Annual Governance and Accountability Return (AGAR), it should complete the steps in the following order:

- **Review and consider the Annual Internal Audit Report**
- **Complete Section 1 – Annual Governance Statement**
- **Complete Section 2 – Accounting Statements**

Section 1 – Annual Governance Statement

Based on the internal audit findings, I recommend using the table below as the basis for that discussion.

	Annual Governance Statement	<i>'Yes', means that this authority</i>	Suggested response based on evidence
1	We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>	YES – accounts follow latest Accounts and Audit Regulations and practitioners guide recommendations.
2	We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>	YES – there is regular reporting of financial transactions and accounting summaries, offering the opportunity for scrutiny.
3	We have assured ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>	YES – the Clerk advises the council in respect of its legal powers.
4	We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>	YES – the requirements and timescales for 2024/25 year-end were followed.
5	We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>	YES – the council undertook risk reviews in the year under review
6	We maintained throughout the year an adequate and effective system of	<i>arranged for a competent person, independent of the financial controls and procedures, to give</i>	YES – the council has appointed an independent and

	internal audit of the accounting records and control systems.	<i>an objective view on whether internal controls meet the needs of this smaller authority.</i>	competent internal auditor.
7	We took appropriate action on all matters raised in reports from internal and external audit.	<i>responded to matters brought to its attention by internal and external audit.</i>	YES – matters raised in internal and external audit reports have been addressed.
8	We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and. Where appropriate, have included them in the accounting statements.	<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>	YES – no matters were raised during the internal audit visits.
9	Trust funds including charitable – In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit.	<i>has met all its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>	N/A – the council has no trusts
10	We have put in place arrangements for effective IT and data management in accordance with proper practices during the year under review.	<i>has made suitable arrangements for its IT and data management and has complied with proper practices in doing so</i>	YES – the council has met the requirements of Governance Assertion 10

Section 2 – Accounting Statements

AGAR box number		2024/25	2025/26	Internal Auditor notes
1	Balances brought forward	54,413	19,132	Agrees to 2024/25 carry forward (box 7)
2	Precept or rates and levies	44,840	49,051	Figure confirmed to central precept record
3	Total other receipts	17,406	31,401	Agrees to underlying accounting records
4	Staff costs	30,554	26,479	Agrees to underlying accounting records. Includes only expenditure allowed as staff costs (see section G)
5	Loan interest/capital repayments	0	0	Confirmed to PWLB documents
6	All other payments	66,973	38,975	Agrees to underlying accounting records – adjustment made for rounding
7	Balances carried forward	19,132	34,130	Casts correctly and agrees to balance sheet
8	Total value of cash and short-term investments	19,132	34,130	Agrees to bank reconciliation for all accounts
9	Total fixed assets plus long-term investments and assets	Restated 110,922	118,502	Matches asset register total and changes from previous year have been traced
10	Total borrowings	0	0	Confirmed to PWLB documents

For Local Councils Only		Yes	No	N/A	
11	Disclosure note re Trust Funds (including charitable)	<input checked="" type="checkbox"/>			<i>The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.</i>

Audit findings

The AGAR casts and cross-casts correctly, and the prior-year comparatives agree to the figures submitted and published for 2024/25.

The following must be completed before the AGAR is finalised:

- **Box 9** — the prior-year comparative for fixed assets and long-term investments must be entered as £110,922 and the supporting asset note amended accordingly. The comparative must agree to the asset register. You must then write restated in the box and submit a note to the external auditor as to why the figure has been restated.

The variance analysis has been completed but requires further work before it will be accepted by the external auditor; the outstanding points are set out below.

- Each material variance must be supported by narrative **and** quantified supporting figures that reconcile to the movement shown.

CONCLUSION: I am satisfied that if the points above are attended to this control objective will be met.

K. LIMITED ASSURANCE REVIEW

Internal audit requirement

IF the authority certified itself as exempt from a limited assurance review in the previous year, it met the exemption criteria and correctly declared itself exempt.

Audit findings

Not applicable

CONCLUSION: The council did not certify itself exempt from a limited assurance review in the previous year and the testing for this internal control objective is not applicable.

L: PUBLICATION OF INFORMATION

Internal audit requirement

The authority publishes information on a free to access website/webpage, up to date at the time of the internal audit in accordance with relevant legislation

Audit findings

All councils are required to follow The Accounts and Audit Regulations which include the following requirements:

13(1) An authority must publish (which must include publication on that authority’s website)

- (a) the Statement of Accounts together with any certificate or opinion entered by the local auditor in accordance with section 20(2) of the Act; and
- (b) the Annual Governance Statement approved in accordance with regulation 6(3)

13(2) Where documents are published under paragraph (1), the authority must

- (a) keep copies of those documents for purchase by any person on payment of a reasonable sum; and
- (b) ensure that those documents remain available for public access for a period of not less than five years beginning with the date on which those documents were first published in accordance with that paragraph.

I was able to confirm that pages 4 (Annual Governance Statement), 5 (Accounting Statements) and 6 (External Auditor’s Report and Certificate) of the AGARs are available for review on the council website for the previous five financial years.

Confirm that the council is compliant with the relevant transparency code

For councils with a turnover over £25,000, it is recommended best practice to follow the Local Government Transparency Code 2015, but not a statutory requirement and therefore not subject to verification during the internal audit. The council has a dedicated web page where some of the requirement information is published.

[Transparency - Albury \(Surrey\) Parish Council](#)

I was able to confirm that the council had a Publication Scheme in place adopting the ICO's Model Publication Scheme, during the year under review. [Annual Meeting 2026 - Annex 13 Freedom of Information Publication Scheme May 2026.pdf](#)

CONCLUSION: I am satisfied this control objective has been met.

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS

Internal audit requirement

The authority, during the previous year, correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

Audit findings

Inspection – key dates	2024/25 Actual	2025/26 Proposed
Date AGAR signed by council	2 nd June 2025	TBC
Date inspection notice issued	9 th June	30 th June 2026
Inspection period begins	10 th June	1 st July 2026
Inspection period ends	21 st July	11 th August 2026
Correct length (30 working days)	Yes	Yes
Common period included (first 10 working days of July)	Yes	Yes

I am satisfied the requirements of this control objective were met for 2024/25, and assertion 4 on the Annual Governance Statement can therefore be signed yes by the council.

I reviewed the proposed dates for the Exercise of Public Rights for the 2025/26 AGAR and suggest the end date 12th August will not meet with the requirements because it covers a period of 31 days not 30 days. I suggest amending the date to Tuesday 11th August.

CONCLUSION: I am satisfied this control objective has been met.

N: PUBLICATION REQUIREMENTS

Internal audit requirement

The authority complied with the publication requirements for the prior year AGAR.

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*
- *Section 1 - Annual Governance Statement 2024/25, approved and signed, page 4*
- *Section 2 - Accounting Statements 2024/25, approved and signed, page 5*

Not later than 30 September 2025 authorities must publish:

- *Notice of conclusion of audit*
- *Section 3 - External Auditor Report and Certificate*
- *Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review.*

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

Audit findings

I confirmed that the Notice of the Period for the Exercise of Public Rights, together with Section 1 (Annual Governance Statement) and Section 2 (Accounting Statement) of the 2024/25 AGAR, were published on the Council's website in advance of the statutory commencement date of the public rights period and that the period commenced on or before 1 July 2025.

However, neither the External Auditor's Report nor the Notice of Conclusion of Audit had been published on the Council's website by the statutory deadline of 30 September 2025. The website says "pending receipt" [Audit 2024/5 - Albury \(Surrey\) Parish Council](#). In addition to this there is no evidence in the minutes that council have been presented with the notice of conclusion or the final auditor signed AGAR. At the date of this internal audit, the documents remained unpublished.

The external auditors report was provided to the council on the 29/10/25 with no qualifications, but a note to say that the return had to be amended for an error in completion.

This represents a breach of the Accounts and Audit Regulations 2015 (regulation 15). The omission is a reportable matter.

Recommendation: The Council should:

1. Publish the External Auditor's Report and the Notice of Conclusion of Audit for 2024/25 on its website without further delay, with the publication date clearly recorded.

2. Formally report the conclusion of the 2024/25 audit to the next available meeting of full Council, with the report received minuted.
3. Review its end-of-year procedures, including the assignment of responsibility for monitoring statutory publication deadlines.

CONCLUSION: I am not satisfied this control object has been met. Please see the comments above and our recommended course of action in the table at the end of this report.

O. DIGITAL AND DATA COMPLIANCE

Internal audit requirement

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

Audit findings

The Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's Guide (March 2025) contains guidance on the new Governance Assertion included on the 2025/26 AGAR which relates to this internal control objective.

Website

I confirmed that the Council's operates a free to access website and hosts a Privacy Notice and a Website Accessibility tool.

The Accessibility Statement correctly references partial compliance with the Web Content Accessibility Guidelines (WCAG) 2.1 Level AA and was last updated in February 2026. [20251212 Website Accessibility Statement](#)

Recommendation: The current website accessibility guidelines are 2.2AA and the policy should be published on the council website along side the privacy notice.

IT and information security policy

No IT or information security policy was in place at any point during the year under review or at the balance sheet date. Given the Council's reliance on cloud-based accounting (Scribe), council-domain email, and electronic banking, the absence of a documented policy framework during the year is a control weakness.

Recommendation: The Council should adopt the IT Policy at the earliest opportunity.

Email management and GDPR

The Council operates a council-owned domain and has established dedicated email addresses for the Clerk/RFO and for each member. This is recognised good practice: it provides clear segregation between members' civic and personal correspondence, removes ambiguity as to the capacity in which a member is acting, retains control of records within the Council, supports a professional standard of public communication, and — material in the event of a Freedom of Information or Subject Access Request — confines the Council's disclosure obligations to council-controlled systems rather than members' personal devices and accounts. No recommendation arises.

Data protection

The Council has not undertaken a data audit (information asset register / record of processing activities) during the year under review.

Recommendation: The Council should complete a data audit / record of processing activities, formally adopt it, and review it at least annually. The RFO has been signposted to an example maintained by a comparable parish council

CONCLUSION: I am satisfied this control objective has been met. Please see the comments above and our recommended course of action in the table at the end of this report.

P. TRUSTEESHIP

Internal audit requirement

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

Audit findings

CONCLUSION: The council has no trusts and the testing for this internal control objective is not applicable.

Achievement of control assertions at final internal audit date

Based on the tests conducted during the interim audit, our conclusions on the achievement of the internal control objectives to date are summarised in the table below.

	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 Finance 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 the 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), 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 the previous year, it met the exemption criteria and correctly declared itself exempt.			✓
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 the relevant legislation.	✓		
M	The authority, during the previous year correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		
N	The authority complied with the publication requirements for prior year AGAR.		✓	
O	The authority has complied with laws, regulations and proper practices relating to digital and data compliance.	✓		
P	Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

Should you have any queries please contact me directly on mark@mulberrylas.co.uk

Yours sincerely



Mark Mulberry
On behalf of Mulberry Local Authority Services Ltd

Internal Audit – Summary of recommendations

Audit Point	Internal Audit Findings	Council comments
<p>B: Minutes & agendas & governance</p>	<p>Recommendation: I recommend a grass roots review of the agendas and minutes pages to ensure a consistent and regular approach.</p> <p>I confirmed by sample testing that councillors sign “Acceptance of Office” forms. I recommend the form is amended to include formal acceptance to receive information by electronic means in the form “As per Schedule 12 of the Local Government Act 1972, I consent to the receipt of all council meeting papers by electronic methods. I understand I may withdraw this consent at any time”</p>	
<p>C: Risk</p>	<p>Two matters arise. The assessment scores likelihood only, with no assessment of impact and no owner, target date or status against any action, so it does not, demonstrate the active, effective risk management required by Regulation 2.1. And I have not seen a separate risk management <i>policy</i> of the kind required by Regulation 2.2; the approved risk <i>assessment</i> is the output of a framework, not the framework itself.</p> <p>Recommendation: The council should: progress the outstanding High-risk mitigations and record an owner, target date and status against each action so that the register evidences active management; add an impact dimension to the scoring to allow risks to be properly prioritised; confirm that a risk management policy exists, distinct from the assessment, and formally approve it (Regulation 2.2); ensure draft risk assessments are prepared for new activities (Regulation 2.3); and carry out and minute a review of the effectiveness of its system of internal</p>	

	<p>control before approving the Annual Governance Statement (Regulation 2.4).</p> <p>The Council is responsible for the maintenance and safety of its playground equipment. An annual independent inspection is commissioned. The playground items are listed on the risk register; however, they are listed as items requiring “regular inspections” I would suggest that an annual inspection of the playground is insufficient.</p> <p>Recommendation: Increase the number of inspections and update the risk register as they appear to be out of alignment.</p> <p>In accordance with FR 2.4, I was unable to confirm that the council carries out a review of the effectiveness of its internal controls. This includes receipt and review of internal and external audit reports, and details the additional internal control measures the council has put in place.</p> <p>Recommendation: The council must demonstrate it carries out an annual review of the effectiveness of its internal controls in accordance with FR 2.4</p>	
D: Budgets & precept setting	<p>Recommendation: I recommend that at least four times a year the council minutes a discussion about budget performance, this would then be in accordance with financial regulation 4.10</p> <p>Recommendation: The council should ensure that the resolution approving the budget and setting the precept records, as a minimum, the actual amount of the precept to be requested (in £), and preferably the total approved budget and the resulting Band D council tax, so that the minute stands as clear and self-evident authority for the figure demanded.</p>	
J: Accounts	<p>Box 9 — the prior-year comparative for fixed assets and long-term investments must be entered as £110,922 and the supporting asset note amended accordingly. The comparative must agree to the asset register. You must then write restated in the box and submit a note to the external auditor as to why the figure has been restated.</p> <p>The variance analysis has been completed but requires further work before it will be accepted by the external auditor; the outstanding points are set out below.</p> <p>Each material variance must be supported by narrative and quantified supporting figures that reconcile to the movement shown.</p>	

M: Exercise of public rights	I reviewed the proposed dates for the Exercise of Public Rights for the 2025/26 AGAR and suggest the end date 12 th August these will not meet with the requirements because it covers a period of 31 days not 30 days. I suggest amending the date to Tuesday 11 th August.	
N: Publication	<p>The external auditors report was provided to the council on the 29/10/25 with no qualifications, but a note to say that the return had to be amended for an error in completion.</p> <p>This represents a breach of the Accounts and Audit Regulations 2015 (regulation 15). The omission is a reportable matter.</p> <p>Recommendation: The Council should:</p> <ol style="list-style-type: none"> 4. Publish the External Auditor's Report and the Notice of Conclusion of Audit for 2024/25 on its website without further delay, with the publication date clearly recorded. 5. Formally report the conclusion of the 2024/25 audit to the next available meeting of full Council, with the report received minuted. 6. Review its end-of-year procedures, including the assignment of responsibility for monitoring statutory publication deadlines. 	
O: Digital & Data compliance	<p>The Accessibility Statement correctly references partial compliance with the Web Content Accessibility Guidelines (WCAG) 2.1 Level AA and was last updated in February 2026. 20251212 Website Accessibility Statement</p> <p>Recommendation: The current website accessibility guidelines are 2.2AA and the policy should be published on the council website alongside the privacy notice.</p> <p>No IT or information security policy was in place at any point during the year under review or at the balance sheet date. Given the Council's reliance on cloud-based accounting (Scribe), council-domain email, and electronic banking, the absence of a documented policy framework during the year is a control weakness.</p> <p>Recommendation: The Council should adopt the IT Policy at the earliest opportunity.</p> <p>Data protection</p>	

	<p>The Council has not undertaken a data audit (information asset register / record of processing activities) during the year under review.</p> <p>Recommendation: The Council should complete a data audit / record of processing activities, formally adopt it, and review it at least annually. The RFO has been signposted to an example maintained by a comparable parish council</p>	