Aylesford Parish Council

INTERNAL AUDIT REPORT
Visit 1 (2026/27)

Date: 15th October 2026

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Reviewed by: Hannah Barton

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1 SUMMARY

Under the requirements of local government legislation, Section 151 of the Local Government Act 1972 and the Accounts and Audit (Amendment) Regulations 2006, the Town Council has a statutory responsibility to prove an adequate and effective system of internal audit.

The role of the Internal Auditor is to provide an independent review and appraisal of the Council's system of internal control. The Internal Auditor must be independent of the activities they audit to remain impartial and effect professional judgements and recommendations.

In accordance with the agreed audit plan (Appendix A) and following Internal Audit's remote testing and visit to you on Monday 5th October 2026, we evaluated the Internal Control Objectives shown in the table below.

Internal Control Objective title	Visit 1 26/27
B. Compliance with Financial Regulations	✓
- Financial Regulations and Standing Orders	✓
- Expenditure Controls	✓
- Expenditure sample testing: BACs, Cheque Payments and Purchase Cards	✓
C. Risk Management & Insurance	✓
D. Budget Management	✓
F. Petty Cash, Personal Cheques & Till Reconciliations	✓
G. Salaries	✓
M. Public Rights	✓
N. Publication Requirements	✓

Appendix A – Audit Programme 2026/27

The Amendments to the Accounts and Audit Regulations 2006 require that an internal audit plan be prepared for your Council to consider and formally approve.

The Internal Audit work programme is aligned with the National Association of Local Councils Joint Panel on Accountability and Governance Practitioner's Guide (March 2026) and will be amended upon the publication of revised guidance.

The internal audits review the authority's financial and governance records and controls facilitating the completion of the Internal Audit Report in the authority's Annual Governance and Accountability Return (AGAR) for 2027. The controls will be evaluated across the financial year and not at every visit.

Internal Audit will review whether the controls in place adequately mitigate risks. Implementation of controls will be verified by evaluating evidence to confirm that expected outcomes have been achieved. Sample testing of a sufficient number of transactions is conducted to gain assurance that the systems of control work effectively and provide accurate information to support the Council's activities.

A review of the following AGAR Internal Audit Control objectives is conducted to ensure they are being achieved to a standard adequate to meet the needs of the Council:

- Appropriate accounting records have been meticulously kept throughout the year.
- This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.
- This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.
- The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.
- Expected income was fully received based on correct prices, properly recorded, and promptly banked; and VAT appropriately accounted for.
- Where applicable, Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.
- Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.
- Asset and investment registers were complete and accurate and properly maintained. This section/assurance should be extended to include loans to or by the authority.

- Periodic bank account reconciliations were properly conducted during the year.
- Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.
- If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.
- The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with the relevant legislation.
- 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.
- The authority complied with the publication requirements for the prior year AGAR.
- Trust funds (including charitable) - the Council met its responsibilities as a trustee.

If there are any matters that the Council would like to be included in the audit programme, or greater emphasis given to an item, then notify your Auditor and our testing schedule can be re-prioritised accordingly.