



Liz Stitt
Clerk to the Council/RFO
Cutcombe Parish Council
90 Summerland Avenue
Minehead
Somerset TA24 5BW

12th June 2026

Dear Liz,

END OF YEAR INTERNAL AUDIT 2025/26

Parish & Town Auditing Services have been appointed to undertake the internal audits at Cutcombe Parish Council. The annual internal audit for 2025/26 financial year was completed on 12th June 2026.

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

As stated in the Letter of Engagement letter, the scope of our work is limited to completing the audit testing and enquiries we deem necessary to complete the internal audit section of the Annual Report for Local Councils in England. We 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 we are not conducting a financial statement audit in accordance with standards and guidelines issued and our 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.

We are 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.

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

Yours sincerely,

Paul Russell, Internal Auditor

INTERNAL AUDIT

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.

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

The Clerk to the Council has been appointed as RFO (LGA1972 s151).

Recommend that the Clerk/RFO details be added to the website.

The roll forward figure is £53,693.10 (Box 7)

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 invoices against payment reports and the bank statements;
- 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.

The Council receives a list of payments at its Full Council meetings and this is uploaded onto the website.

The Council has a Risk Assessment in place and was reviewed in May 2025:
[20251021-Risk-Register.pdf](#)

Bank reconciliations are prepared on a quarterly basis and presented to Full Council where they are formally signed off.

There is appropriate segregation in place.

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 £44,340.62 as at 31st March 2026.

The Council has met this control objective.

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.

Both Standing Orders and Financial Regulations are based on the latest NALC template version.

The limits between the two documents are consistent.

The following financial process is in place:

- The Clerk/RFO is responsible for financial transactions;
- Invoices are verified for accuracy on receipt;
- Invoices are saved electronically and also printed and filed;
- Monthly Schedules of Payments are checked by Councillors along with Quarterly Budget Reconciliations along with the appropriate bank statements;
- Quarterly Budget Reconciliations take place at full council meetings where two councillors check the amounts against the bank statements to make sure the figures match.
- All payments are reported to Full Council for approval;
- Payments are authorised by Full Council and minuted;
- Two Councillors sign the invoices & Schedule of Payments;
- Clerk/RFO uploads payments onto the online banking app and authorises.

There is appropriate segregation in place.

VAT is claimed annually. The claim relating to 2024/25 amounting to £1,121.66 was received on 06/05/2025.

The Council has met this control objective.

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

The Council has a Risk Assessment in place which has been reviewed during the year: [20251021-Risk-Register.pdf](#)

The Council is insured with Clear Councils. Policy Number: LCO02947. The policy runs from 1st June 2025 to 31st May 2026. The policy includes Employers Liability, Public Liability and a Fidelity Guarantee (£250k). The Council is adequately insured.

The Council has good internal controls in place to ensure that it carries out its day-to-day business effectively and efficiently. It has an internal controls policy in place. [20251021-Internal-Controls-Policy.pdf](#)

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.

The budget and precept were set by resolution at the Parish Council meeting held on 21st January 2025. (Minute 25/04) A precept of £11,200 was requested.

After reviewing It was proposed, Seconded, and unanimously agreed to take the Finance and Risk Working Groups recommendations for the 2025/26 budget and keep the precept the same at £11,200 for the fourth year in a row. Cllr Levenson asked the Clerk to draft up something to put on the website regarding keeping the

precept the same for the fourth year in a row as it is a big achievement during these times of financial crisis.

It has been confirmed that a precept of £11,200 was requested. (MHCLG Parish Code E3301P099)

Budget monitoring reports are reviewed during the budget and precept setting period and as part of the Quarterly budget report.

The Council has set up Earmarked Reserves. The Earmarked Reserves were outlined in the budget paperwork and amounted to £33,465.00.

The Council has adequate General Reserves available as recommended by SAPPP.

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

AC NT	AMOUNT
General Account	£2,017.65
Snowdrop Valley A/C	£4,635.85
Snowdrop Valley Reserve A/C	£14,151.87
PC Reserve Account	£23,535.25
TOTAL	£44,340.62

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.

Council's income for 2025/26 includes Snowdrop Valley annual income, business unit rental income, bank interest and toilet donations.

All income is correctly recorded within the accounts and reported to Full Council on a quarterly basis.

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 account and has made no cash payments during the 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 has a contract of employment in place based on the NALC/Green Book template.

Members do not receive a members' allowance.

Gross pay is calculated in accordance with the relevant NJC scale. Tax codes are included on the payslips and deductions properly calculated.

Council is not a member of a Pension Scheme.

National Insurance contributions have been deducted as required.

It has been 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. This is maintained in the accounts package and has been updated. Current value of the assets amounts to £57,645.27. The Register meets current requirements and includes additions and deletions.

Council has no long-term investments in place.

The Council has no outstanding loans.

The Council has met this control objective.

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

Bank reconciliations are prepared monthly. Copies of the bank reconciliations are included in the list of payments and noted 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. Receipts and payments agree to the cash book and are supported by an adequate audit trail.

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.

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 as part of the agenda supporting papers.](#)

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. [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. [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. [Published as part of the asset register.](#)

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.](#)

The Council has met this control objective.

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 1st July to 11th August 2025. This meets the statutory 30 day requirement.

The Council formally minuted the approval of the dates of the public notice at the meeting where the AGAR was approved on 17th June 2025. (Minute 25/89.iv).

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](#)
- Section 2 - Accounting Statements 2024/25, approved and signed, page 5: [Published](#)

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. [Published](#).

The Council has met this control objective.

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

Council has a .org email addresses for the Clerk and some of its Councillors. Council has a .org domain and meets best practice advice by having a Council owned and managed domain for its website and email account.

Recommend that Council considers encouraging all Councillors to have an official parish council email address.

The Council has adopted an IT policy as required. [20260217-IT-Policy.pdf](#)

The Council has an Accessibility Statement published on its website: [Accessibility Statement for Wheddon Cross & Cutcombe Parish Council](#)

It has been confirmed that Cutcombe Parish Council website does comply with WCAG 2.2 AA. It achieves 76%: [Scan Results — CompliaScan](#)

Accessibility has been reviewed and the parish council website scores 9.6 out of 10: [WAVE Report of Wheddon Cross and Cutcombe Parish Council Website](#)

Data Protection requirements:

- Data Protection Lead – Clerk is the responsible officer dealing with data protection;

- Data Audit:
- Training for staff and Councillors: Councillor and staff undertake relevant training.
- Data Protection Policy: [20251021-Data-Protection-Policy.pdf](#)
- Document Retention Policy: **Not in place. Please action.**
- Privacy Notice: [20251021-Information-Privacy-Notice.pdf](#) and [Privacy Policy - Wheddon Cross and Cutcombe Exmoor](#)
- Both hard copy and electronic data have relevant protections in place.

A Freedom of Information Policy is in place: [20251021-Publication-Scheme-1.pdf](#)

The Council has met this control objective

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

The Council is not a sole trustee.