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Mr Bruce Winton
Chief Executive Officer
Shinfield Parish Council
Shinfield Green Centre
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31st March 2026

Dear Bruce

Internal audit for the year ended 31st March 2026 – interim report

Local councils are required to have an internal audit of their accounting records and their system of internal control by Regulation 5 of the Accounts and Audit Regulations 2015. During my interim visit in February 2026 I reviewed the financial systems and controls for the year to date.

My internal audit testing was based on the guidelines included in the 2025 edition of the Joint Panel on Accountability and Governance Practitioners' Guide. This document contains the proper accounting and governance practices referred to in statute, together with other non-mandatory guidance and examples, including the best practice guidance relating to internal audit.

Initial discussions established whether there were any changes to the internal controls in place and a series of tests using the financial records, vouchers, minutes, previous audit reports etc were conducted to establish the effectiveness of the controls.

A final visit will take place after the year end to review risk management, the year-end accounts and related documentation.

<u>General Comments</u>

Specific comments below are in the order of the headings in section 1 of the Annual Return.
Controls remain very strong.

The notice of conclusion was not published before the deadline of 30th September and it did not have the external audit report attached to it and thus I will need to state that control objective N has not been met. This is clearly an administrative error and I do not believe it is indicative of wider problems.

<u>Assertion 10 – digital and data compliance</u>

There is a new assertion that is being added to the Annual Governance Statement for the year ended 31st March 2026 with the wording "We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review". A new internal control objective O will be added to the internal audit report within the AGAR with the wording *"The authority has complied with laws, regulations & proper practices relating to digital and data compliance"*.

I discussed the Council's progress in meeting this assertion in correspondence with the Clerk and during my visit. The Council officers have undertaken training and are taking action to ensure that the Council will meet these requirements by the end of this financial year. The website meets the accessibility requirements and an IT policy has been adopted by the Council.

Detailed report

As part of the testing I checked:

A	**Appropriate accounting records have been properly kept throughout the year**
	• The accounts are maintained on RBS Omega and kept up-to-date. This is designed for local councils and has integrated allotment and bookings packages.
B	**This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for**
	• A sample of payment invoices was checked to ensure that they had been approved, correctly paid and VAT treated correctly. No errors were found. • Some larger items of expenditure were reviewed to ensure that procedures for obtaining multiple quotations had been followed. Multiple quotations have been obtained for large purchases but this was not always clear from the minutes.
C	**This authority assessed the significant risks to achieving its objectives & reviewed the adequacy of arrangements to manage these**
	• Standing Orders and Financial Regulations were reviewed. Standing Orders were updated in June 2025. • The Financial Regulations were last updated in 2018 and I understand work is being undertaken to update these. • The risk register was formally approved in May 2025 and since then regular updates have been provided to the F&GP committee during the year. • Council minutes were scrutinised.
	***Observations and outstanding audit work*:** ➢ Insurance cover will be reviewed at a later visit.
D	**The Precept resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate**
	• The reporting of financial results and monitoring of actual against budget was reviewed. • The budget setting process for 2026-27 was complete at the time of my visit. It is clear that the budget process has once again been thorough and included a consideration of ongoing earmarked reserve requirements in addition to the planned budget for the forthcoming year.
	***Outstanding audit work*:** ➢ Final out-turn against budget will be reviewed at the final visit
E	**Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for**
	No significant issues arose during the review and testing of income controls. The following income streams were reviewed: • The precept was agreed to Council minutes and bank statements • CIL income was agreed to bank statements

	• Hall hire, rental income and allotment income were reviewed and test checks carried out. • Other income streams such as the cinema and youth club were also reviewed.
F	**Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for**
	• Petty cash expenditure is small and controlled. Receipts are available to support the expenditure.
G	**Salaries to employees and allowances to members were paid in accordance with the authority's approvals and PAYE/NI requirements were properly applied**
	• Payroll continues to be prepared in house and appears well controlled. • The pay for one month was reviewed. A sample of employees was picked and deductions checked. No problems arose.
H	**Asset and investments registers were complete, accurate and properly maintained**
	➢ The fixed asset register is maintained in Rialtas and will be reviewed after the year end.
I	**Periodic bank reconciliations properly carried out during the year**
	• Bank reconciliations are prepared on a monthly basis. • Bank reconciliations have been reviewed by a Councillor on a bi-monthly basis and this is reported to the F&GP committee.
J	**Accounting statements prepared during the year were prepared on the correct accounting basis (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.**
	➢ These will be reviewed at my visit in June 2026.
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**
	• Not applicable – the Council was subject to a limited assurance review in 2024/25.
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 AGARs for the past five years are available on the Council website in accordance with the requirements of the Accounts and Audit Regulations 2015. • The Council website has a dedicated page with transparency information clearly available.
M	**The authority, during the previous year (2024/25) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations**
	• The exercise was advertised on the website in advance of the period commencing. • The exercise was carried out for the correct number of days and included the first 10 working days of July as required.
N	**The authority has complied with the publication requirements for the 2024/25 AGAR**
	• The notice of conclusion was published in October after the deadline of 30th September and it did not have the external audit report attached to it.

	***Conclusion*:** The Council did not comply with the publication requirements for the 2024/25 AGAR.
O	**The authority has complied with laws, regulations & proper practices relating to digital and data compliance**
	This is a new control objective for 2025/26 which is linked to the new assertion 10 on the Annual Governance Statement. The Council appears to be on track for meeting this assertion.
P	**The council met its responsibilities as a trustee of trust funds**
	• Shinfield Parish Council is not a trustee of any trust funds.

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I trust that these comments are self-explanatory, but please do not hesitate to contact me if councillors would like further details. I should like to thank the Council staff for their assistance during my visit.

Yours sincerely

Claire Connell