

Meeting	Full Council
Date	28 th April 2026
Report Title	Internal Audit Working Party Meeting
Agenda	11E
Author(s)	Georgina Morgan-Denn, Chief Officer/Clerk & RFO Kendel Pyne, Accounts Assistant

Attendees: Councillors V Manro and R Worman, K Pyne, Accounts Assistant & G Morgan-Denn, Chief Officer

Acronym Buster:

Internal Auditor (IA) – Rosie Darkin Miller

External Auditor (EA) – PKF Littlejohn

Working Party (WP)

Finance & Policy Committee (F&P)

Parish & Town Councils (P&T)

1. Financial spot checks x 4 – Finance & Policy Committee - payments authorised on 17th March 2025

- Must ensure all document titles for meetings are accurate and consistent (Full Council on document but taken to Finance & Policy). **ACTION: KP**
- **Whitworth Windows** – bank statement trading name Reach & Wash and differs on the payment schedule. **NO ACTION**
- **SBC Inv ending 7053** - incorrect invoice number identified, picked up during authorisation stage, correction is being carried out by the accountant, payment made against the correct invoice. **NO ACTION**
- **Rabbits** – query is it a duplicate, confirmed not, two caged vehicles, difference invoice numbers, bank reconciled correctly. **NO ACTION**
- **Smart PF** – is our Accounting Consultant involved in their own payment? No. Banking access is not given to Consultant Accountant. Access to bank is employees only (GMD, KP, LC & VM in emergencies). Discussion re £0 VAT and the Accountants' threshold not met. Even if it did, Parish Councils claim VAT back. **NO ACTION**

2. Overpayments x 2

- Overpayment of £16.50 expenses to Chief Officer paid in error. KP showed bank statement and GMD payment in to clear the overpayment. Cllr V Manro confirmed he had authorised and received email requesting expenses. **NO ACTION**
- Overpayment of CO's February pay. Accountant alerted to the error during month end reconciliation. Overpayment sum was deducted from March payroll. There is an audit trail in the Master Payroll Spreadsheet held for Internal Auditor examination during their annual visits. **NO ACTION**

3. Internal Audit Report

- The Sector has a "Light Touch" Audit Regime – but what does that mean?
 - Internal Audits are **not** a full, deep dive into all figures.
 - **Independent review** of the systems and controls.
 - It is a proportionate, governance-focused audit — not a full forensic inspection.
 - See below for more information
- Working Party presented with IA's report and our management responses. This report already taken to F&P on 17.03.26. WP happy with explanations why some of the IA's



comments were being disputed. Agreed it is ok to contest their comments. Many Councils refuse to accept the IA's comments.

- WP noted human error featured a few times and reassurance was given that there is a quiet area to work from in the office/working from home opportunities throughout the out.

4. Internal Audit Re-Appointment

- Discussion on re-appointment of IA as we are in Year 3 of 3 of our current contract
- Go out to market for appointment of IA for 26/27, 27/28 and 28/29

5. 25/26 Assertion 10 Testing

- Everyone will fail as guidance has only just been confirmed, papers from the EA PKF Littlejohn published this week with confirmed guidance and retrospectively tests from start of March 2025 - guidance has been received 11 months too late!
- Further, Assertion 10 will fail on use of PDFs and yet the method to upload the Annual Return is a PDF upload?
- Discussion with IA 26.03.2026 – all P&T councils will fail new Assertion 10 – IAs are tasked to test when they know it's an instant fail. They are concerned the new tests will have a knock on effect on the time it takes them to audit clients as it will be more time to test all the clients they currently have. Increased time will be more of a cost burden to councils.
- See below for more information about Assertion 10 Testing.



More In depth Understanding of the Light-Touch Audit Regime

A simple guide for new councillors and new clerks

The “light-touch audit” is the system used for smaller parish, village, and town councils. It has been in place since 2001 and is explained by the Institute of Chartered Accountants in England and Wales (ICAEW). [\[icaew.com\]](https://www.icaew.com)

It is designed to give independent checks on a council’s finances without the cost and complexity of a full external audit.

✓ 1. Do they check the accounts? – Yes, but at a sensible level

Every parish/town council must have an internal audit every year. This is not a full investigation of every single transaction, but it *does* check that:

- your accounting records are being kept properly
- your bank reconciliations match the accounts
- your financial controls are working
- the council is following required governance procedures

This is confirmed in national internal-audit guidance, which says that internal audit checks that “good practices are operating... ensuring financial accuracy and transparency.” [\[clerksandc...rect.co.uk\]](https://www.clerksandcouncils.co.uk/rect.co.uk)

So yes — the accounts *are* checked, but not in the same level of detail as a full audit used for large organisations.

✓ 2. What “light-touch” means in practice

For smaller councils:

- You still must have an internal auditor.
- That person must be independent and competent.
- They look at your systems, controls, and record-keeping.

ICAEW explains that smaller authorities have been inspected under the Light-Touch Audit Regime since 2001 and only the largest parish councils need a full external Limited Assurance Review. [\[icaew.com\]](https://www.icaew.com)

So the regime is: ✓ thorough enough to ensure good governance

✓ proportionate to the size of the council

✓ less expensive and bureaucratic than full external audits



✓ 3. What internal auditors *do not* do

Internal auditors:

- do not re-check every invoice or receipt
- do not look for minor errors unless they indicate a bigger issue
- do not “police” councillors or staff
- do not repeat the clerk’s work
- do not investigate unless there are signs of fraud or serious mismanagement

As guidance says: internal auditors “are not trying to catch anyone out unless... attempting to defraud the council.” [\[clerksandc...rect.co.uk\]](http://clerksandc...rect.co.uk)

✓ 4. Your responsibilities as a Clerk or Councillor

The internal auditor is there to check your system, not to run it for you.

Your responsibilities include:

- keeping tidy, accurate financial records
- doing regular bank reconciliations
- following Standing Orders and Financial Regulations
- ensuring decisions and payments are minuted
- maintaining proper internal controls

Internal audit is described as “the only proper independent oversight” for small councils, so it is an important part of showing taxpayers that their money is handled correctly. [\[icaew.com\]](http://icaew.com)

✓ 5. Why it matters

The light-touch audit regime gives:

- reassurance to residents that the council is following the rules
- support for the clerk/RFO, making sure processes are sound
- protection for councillors, proving that money is being handled properly

And because it is proportionate, it avoids the costs that small councils simply don’t need.

✓ In one sentence...

The Light-Touch Audit makes sure parish and town councils are running their finances properly — without the heavy, expensive burden of a full audit — by checking systems, controls, and good practice instead of every single transaction.



More about Assertion 10 Compliance

1) Accessibility testing date

If your webmaster only carried out security checks and ensured the UserWay plugin is up to date, that doesn't count as a formal accessibility test under the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018.

So you have two sensible options:

- If any actual accessibility checks were done (even basic ones like keyboard navigation, contrast checks, screen reader spot checks), you *can* update the date to March 2026 — but word it carefully (e.g. “last reviewed/tested” rather than implying a full audit).
- If not, keep the 2021 date and instead:
 - Acknowledge ongoing monitoring
 - Commit to a refreshed review in 2026 (which you can now schedule)

2) Accessibility statement wording

With historic PDFs, scanned documents, “partially compliant” is completely normal and acceptable — as long as you clearly explain:

- What isn't accessible (e.g. scanned PDFs, older documents)
- Why (disproportionate burden / historic archive)
- What you're doing about it (e.g. fixing new documents going forward)

This is exactly what auditors expect for parish councils.

3) PDFs and historic documents

Full remediation would be a huge job. Auditors typically accept:

- A statement that older PDFs are not fully accessible
- A commitment that new documents will be accessible going forward – **ACTION Implement from May 2026 Council year or sooner**
- An offer to provide documents in accessible format on request

That's sufficient for compliance in most parish settings.

4) What to give the auditor

For your checklist response, you can confidently provide:

- Date of last accessibility review (be honest about what it was)
- Copy/link to accessibility statement
- Explanation of partial compliance (already in your statement) **GMD done.**

5) Suggested wording tweak (practical fix)

Instead of changing it to “tested on 17 March 2026,” use something like:

“The website was last reviewed for accessibility on 17 March 2026. Ongoing monitoring is carried out, including regular updates to accessibility tools and plugins.”

That keeps you accurate without overstating compliance.

6) Upload a new Website Accessibility Statement to incorporate Assertion 10 compliance

ACTION before end April.