Emma Payne
Town Clerk
Stotfold Town Council
Greenacre Centre
Valerian Way
Hitchin SG5 4HG

7th May 2026

Dear Emma,

END OF YEAR INTERNAL AUDIT 2025/26

Parish & Town Auditing Services have been appointed to undertake the internal audits at Stotfold Town Council. The first interim audit of the 2025/26 financial year was undertaken on Monday 20th October 2025. The end of year audit took place on Thursday 7th May 2026 onsite.

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 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.

The audit has found no areas of concern and the Council's procedures and controls are generally working well.

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 Town Clerk has been appointed as the RFO as required by Section 151 of the LGA 1972. Detailed information of the staffing structure is included on the website: Stotfold Town Council: Town Council Staff and Stotfold Town Council: Stotfold Town Council Staff Structure

The correct roll forward figure has been included from Box 7 of the 2024/25 AGAR (£2,632,725)

The Conclusion of Audit was formally reported to Council at its meeting on 8th October 2025 (Minute 458.1/25)

A sample of the financial transactions between 1st April and 31st March 2026 has been undertaken. The following checks were carried out:

- Sample of invoices checked against the list of invoices paid: Sample checked was accurate.
- Sample invoices checked against the original bank statement: Sample checked was accurate.
- Samples checked against the cashbook as reported to each Committee and Full Council. Sample checked was accurate.

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.

All invoices are reviewed by the RFO and the Finance Officer for accuracy and authenticity, inputted into the finance software and then authorised by the Clerk/RFO and two Councillors. The list of payments are submitted to Full Council on a bi-monthly basis for approval/ratification.

A comprehensive Risk Register is in place (Risk Register 2025-26.xlsx) and an Internal Controls Policy is also in place (Microsoft Word - Internal Control Statement 2025). Both documents have been reviewed during the year.

The Finance Officer is responsible for all financial transactions. A Scheme of Delegation is in place and gives delegated responsibility to various officers to carry out everyday management duties. Appropriate divisions are in place.

Bank reconciliations are prepared monthly for all accounts and are signed off by the RFO and a Councillor. Bank reconciliations are reported to the Governance & Resources Committee for approval. Those minutes are then taken to Full Council for further approval.

It has been verified that the year-end bank reconciliation detail disclosed regarding the combined cash and bank balances in the AGAR, section 2, line 8 is accurate (£2,444,250.91)

The Council has an Investment strategy adopted and in place. downloads.php It was reviewed and adopted in December 2025.

The Council has met the requirements of 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.

Review the procedures in place for acquisition of formal tenders and quotes, ensuring they are in line with the SOs and FRs which should be based on the latest version.

The procedures for obtaining formal tenders and quotes is outlined in the Council's Financial Regulations and Procurement Policy (Microsoft Word - Procurement Policy 2025)

The Council has a Contracts page on its website (Stotfold Town Council: Contracts and Tenders). All tenders and quotation requests are published on this page and where regulations require on the Find a Tender portal.

Both Standing Orders and Financial Regulations have been updated and are based on the most recent versions of the NALC model template. The limits match and are in line with the Procurement Act 2023.

Financial recording and reporting procedure is as follows:

- The Council uses the Rialtas Omega financial software to manage its accounts;
- A Purchase Order system is in place. All orders raised have a Purchase Order (PO);
- Invoices are received and reviewed for accuracy and authenticity by the Finance Officer. Invoices are mainly received electronically. The invoices are attached to the PO. The PO is authorised by the Town Clerk/RFO and the relevant cost centre is included;
- A payment list is developed on a monthly basis and all payments are authorised by the Clerk and two Councillors;
- The payment schedule includes any regular payments as reported at the Annual Parish Council meeting in May every year;
- Council ratifies all payments made;
- Two members initial each copy of the hard copy invoice;
- RFO sets up the payment of invoices;
- Two members approve payment. Each is sent the payment sheet and a copy of each invoice for cross reference;

There is appropriate segregation in place. The Finance Officer sets up the payments and two authorised signatories approve the payments.

VAT is claimed on a quarterly basis. The following claims have been submitted:

Claim	Amount	Received
Q1	£26,252.20	07/08/2025
Q2	£29,001.07	28/10/2025
Q3	£34,458.77	05/02/2026
Q4	£30,588.76	Outstanding

The Council has three debit cards in place. There is an overall credit limit of £9,300 for the cards. Individual credit limits are as follows:

- Town Clerk/RFO: £5,000
- Deputy Clerk: £3,000
- Amenities Officer: £1,000

Card balances are paid off in full each month in line with Financial Regulations.

The Council passed a General Power of Competence motion at its Full Council meeting in November 2023.

189/23 GENERAL POWER OF COMPETENCE
Members received a report on adopting the General Power of Competence. It was RESOLVED that:
Stotfold Town Council meets the criteria to adopt the General Power of Competence as outlined in the Localism Act 2011.

The Council has met the requirements of 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 prepared and formally adopted a comprehensive register of assessed risks, and this is available for download from the website.

The Council is insured with Zurich. Policy Number YLL-2720442673. Runs from 1st June 2025 to 31st May 2026. The Council will be undertaking a review of the assets it needs to insure. There has been a significant amount of work undertaken on the asset register during the year and a number of assets previously not recorded have now been recorded including street lighting and some play equipment.

The insurance policy includes premises cover for material damage, business interruption, public liability (£15 million), Hirers' liability (£2 million), Employers' liability (£10 million), Libel and slander (£250k and Fidelity Guarantee (£5 million). The Council is adequately insured.

The Council is responsible for the management and maintenance of a number of play areas in the parish. They are listed on the Council website.

The Council undertakes annual independent risk assessment inspections. Regular inspections are now undertaken inhouse by an officer who is fully trained to undertake inspections. Copies of the most recent play inspection reports carried out by the Play Inspection Company have been provided and have been reviewed.

Noted that the Council is considering the development of a skate park. A tendering process has already been undertaken and funding has been agreed by the Council towards this project. A grant application has been submitted to the Lottery Fund to help towards the costs.

The Council has a range of internal controls in place to ensure that it carries out its day-to-day business effectively and efficiently. These controls are backed up by relevant policies.

The Council has met the requirements of 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.

At its meeting held on 29th January 2025 Full Council formally approved the budget and the setting of a precept. (Minute 349.1/24)

349.1/24 Budget and Precept 2025-26
Members received a report outlining a proposed budget and precept request.
Members were advised there was a typo in item 4.5 of the report which should reach 4.96%.
Decision: It was RESOLVED to:
a) Ratify the reduction in EMRs as outlined in the report.
b) Approve the Budget for 2025-26 as set out in the report.
c) Request from CBC that they collect a precept of £951,481.

It has been confirmed that a precept of £951,481 was requested. (MHCLG Parish Code E0203P065)

Budget monitoring is in place and undertaken every month. Income and expenditure is noted and approved as separate items. The Income and Expenditure report from the financial software is presented showing income and expenditure against budget. This forms part of the agenda papers and the reports can be downloaded from the website.

The Council has Earmarked Reserves in place (£2,250,849.34) These have been reviewed and updated. During the year an additional £237,293.37 was allocated to EMRs and £346,339.36 has been spent.

There is a Reserves policy in place and any expenditure from EMRs is subject to Council resolution.

The Council has an adequate General Reserve to meet the recommendation in place, with specific allocated EMRs also in place.

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

ACCOUNT	AMOUNT
Unity Trust current account	£229,474.36
Barclays Imprest account	£15,797.34
Unity Trust Deposit account	£95,515.43
CCLA	£2,103,463.78
Total	**£2,444,250.91**

The Council has met the requirements of 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 has £72,251.19 of Debtors recorded. Noted that only £13,863.79 is over 60 days and the majority of this is owed by CBC.

The Council has two allotment sites which it manages. (Norton Road and Common Road). A Tenancy Agreement is in place and both the fees & charges and an application form can be downloaded from the website. The Council maintains a Register of Tenants and has appropriate software in place. (Rialtas Allotment package)

The Council manages the cemetery in Mill Lane. The Council maintains a hard copy Register of Burials and also has the Rialtas Cemetery package in place for management of new burials. Burial fees have been updated and are available to download from the new Council website.

The Council has a robust management system in place to manage both the allotments and the cemetery. The Register of Burials is up to date.

The Council has a number of venues that it hires out. The fees and charges are available on the website alongside hire forms. Income is properly managed and recorded and invoices are generated where appropriate. All income received is accompanied by a receipt.

There is a diary system in place (Rialtas Bookings package) and an up to date diary system is included. The software should have the ability to cross reference with the Finance package.

The Council has a number of leases in place. These are referenced on the website, and they are kept under review by the Council. Land Assets 2025.xlsx

The Council has a number of other income sources. It hires out sports facilities which are managed in line with the hall hire. All lettings are managed via the Rialtas booking system. Income is also generated from leases (library and café), bank and investment interest and grants.

A sample review has been undertaken and appropriate controls are in place. There is a clear audit trail between invoicing and receipt of payments.

The Council has met the requirements of 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 system. The Council does not make any cash payments as it has debit cards in place. Some cash income is received and this is banked regularly.

The Council has met the requirements of 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.

All staff have a contract of employment in place. A review of staff contracts has been undertaken. Contracts are developed by WorkNest and based on the Green Book.

Members do not receive a Members Allowance.

A sample of staff salaries has been checked and confirmed that gross pay is calculated based on the appropriate pay scale. A sample of salaries paid during the year have been reviewed.

Tax codes are applied and included on the payslips and deductions properly calculated.

Payroll is undertaken inhouse using specific software. Payslips are generated and these include all the relevant information.

Council may wish to investigate the option of using an external contractor to carry out its payroll to free up additional officer hours and potentially achieve some cost savings.

The Council is a member of the Local Government Pension Scheme and Nest Pensions. Employee pension contributions are correctly deducted and the Employer's contributions are submitted on a monthly basis for both schemes.

A test sample was undertaken and it was confirmed that the correct net pay was paid to the employee with tax, NI and pension contributions correctly deducted and paid to the respective agencies.

The Council has met the requirements of this control objective.

H. Asset and investment registers were complete and accurate and properly maintained.

An Asset Register is in place and a review has been undertaken during the year as previously outlined. The Register includes the cost of each asset when purchased and is updated annually. A detailed list of assets added has been compiled with supporting invoices to improve the audit trail. Asset disposals are also recorded. A number of assets have been verified onsite.

The asset value reported in the AGAR at section 2, line 9 corresponds with the Asset Register total of £1,029,863.51 and has been adjusted with new acquisitions and disposals.

A comparison of the asset register and insurance schedule has been undertaken. It has been confirmed that insurance cover is adequate.

Council has no long-term investments in place.

Council had 4 loans in place at the end of the 2024/25 financial year. Three loans have now been fully paid off with a single loan outstanding. This has been correctly stated in Box 10.

Number	From	To	End of year balance
PW490888	14-Dec-2005	20-Jul-2030	£26,928.52

The Council has met the requirements of this control objective.

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

Bank reconciliations are prepared monthly for all accounts and are reported. The bank reconciliations are reported to Committee and signed off every month by the RFO and a Councillor.

The Council has met the requirements of 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 an income and expenditure basis. Appropriate accounting arrangements are in place to record debtors and creditors during the year and at year end. A review of debtors and creditors has been undertaken.

The Council has met the requirements of 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 Council has a specific Transparency Page on its website (Stotfold Town Council: Transparency Code)

The following information is published on the Parish Council's website.

Expenditure exceeding £500
Local authorities must publish details of each individual item of expenditure that exceeds £500. Published

Government Procurement Card transactions
Local authorities must publish details of every transaction on a Government Procurement Card (not applicable).

Procurement information
Local authorities must publish details of every invitation to tender for contracts to provide goods and/or services with a value that exceeds £5,000. Published

Contracts
Local authorities must also publish details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000. Published. **Recommend that a list of annual contracts valued at £5k and over is published.**

Information to be published annually
The following information should be published annually:

- Local authority land (The Asset Register) Published
- Social housing assets Not applicable
- Grants to voluntary, community and social enterprise organisations Published
- Organisation chart (Staff structure with Council and Committee structure) Published
- Trade union facility time (only applicable if you provide facilities for union representatives) Not applicable
- Parking account (to be published if parking income received) Not applicable
- Parking spaces (publish the number of marked out controlled on and off-street parking spaces within their area, or an estimate of the number of spaces where controlled parking space is not marked out in individual parking bays or spaces) Not applicable
- Senior salaries Published
- Constitution (Standing Orders) Published
- Pay multiple (see the code) Not published
- Fraud (see the code) Published

The Council has met the requirements of 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 Public Notice publication requirements were met. The Notice states Thursday 26th June to Wednesday 6th August 2025. This meets the statutory 30 day requirement.

The Council meeting held on 25th June 2025 confirmed the Notice dates (Minute 431.5/25). However, the minute did not include the actual dates. **Recommend that the dates be included in future to improve transparency.**

The Council has met the requirements of 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

Not later than 30 September 2025 authorities must publish:

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

O. Trust funds (including charitable) - the Council met its responsibilities as a
O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.

The Council has a .gov.uk domain for its website. Staff and Councillors are provided with an official .gov.uk email address and these are publicised on the website. Emails are managed within a secure environment by the Council. The Town Council does not own the email accounts but they are managed within a public sector environment.

The Council has met the best practice requirements for emails and has a directly owned domain name for its website.

The Council has an IT policy in place as required.

The Council has an Accessibility Statement (Stotfold Town Council: Accessibility Statement for Stotfold Town Council) published on its website. **Recommend that it be updated to include reference to WCAG2.2AA compliance.**

Since September 2020, all parish and town councils must have a website that complies with Website Content Accessibility Guidelines (WCAG). As from October 2024 that rating level changed from WCAG2.1 AA to WCAG2.2AA so that it meets Accessibility Guidelines as set in the Public Sector Bodies Accessibility regulations. Stotfold Town Council has recently updated its website and this meets the new requirements.

Data Protection – The following Data Protection policies and governance are in place:

- Has a Data Protection Lead to oversee data protection and ensure compliance with GDPR;
- Has conducted a data audit to identify what personal data is held, how it is used and make sure it is processed lawfully.
- Has implemented a Data Protection policy on data handling, storage and sharing.
- Has provided regular training to ensure all staff and members are trained on data protection principles and practices.
- Employs secure data using appropriate technical and organisational measures to protect personal data from breaches.

The Council has the following Data Protection policies published on its website:

- Document Management Policy (downloads.php)
- Information and Data Protection Policy (downloads.php)
- Freedom of Information Policy (Microsoft Word - Freedom of Information Procedure - 2024)
- Publication Scheme (Information available from Parish and Community Councils under the model publication scheme)
- Subject Access Request Procedure (Microsoft Word - Subject Access Request Procedure - 2025)
- Privacy Policy (website) (Stotfold Town Council: Privacy Policy)

Please ensure that both hard copy and electronic data have relevant protections in place. For hard copy records this will be identified by the audit. For electronic data it is recommended that your IT provider outlines what protections are in place, how often data is backed up and how it is stored. Ensure that all computers have some level of virus protection.

A Freedom of Information Publication Scheme is in place.

The Council has a Transparency page on its website publicising the relevant information as outlined in the Transparency Code 2015.

The Council has met the requirements of 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.