Richard James
Clerk to the Council
Marden Parish Council
The Beeches
Edwyn Ralph
Hereford HR7 4LY

26th June 2026

Dear Richard,

END OF YEAR INTERNAL AUDIT 2025/26

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

The roll over figure is £65,748.55 (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 payment reports against 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.

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 for approval.

The Council has a Risk Assessment in place and is available for review on the website. It was updated on 30th November 2025.

Bank reconciliations are prepared monthly and reported to Full Council for signing off. These are included in the main agenda and minuted.

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 £409,754.71 as at 31st March 2026.

As the Council has balances over £100,000 it will require an Investment Policy.

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.

Standing Orders are based on the most recent NALC template version and reflect recent legislative changes

Financial Regulations are based on recent NALC template version and reflect recent legislation.

Suggest that Council removes the Contract Finder reference on page 8 as this has now been replaced with Find a Tender.

The following financial process is in place:

- Invoices are received by the Clerk;
- These are reviewed for accuracy, printed out and saved electronically;
- All invoices are sent to every Councillor and the Finance Committee meets every quarter;
- A list of payments is presented to Council/Committee and authorised/ratified.
- Payment is normally paid by BACS;
- The Clerk uploads the transactions on the banking app and two Councillors authorise payment.

There is appropriate segregation in place.

A total of seven VAT claims have been submitted during the year due to the large village hall project being undertaken. These are listed below:

Date	Amount
16/05/2025	£11,631.98
16/10/2025	£5,827.61
14/11/2025	£4,153.76
15/12/2025	£12,598.42
19/01/2026	£24,150.12
18/02/2026	£11,819.98
10/03/2026	£8,747.18
TOTAL	**£78,929.05**

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.

The Council is insured through AJG Community Schemes with Hiscox. The policy runs from 01/06/2024 to 31/05/2026 (two policies have been provided). The policy includes Employers Liability, Public Liability and a Fidelity Guarantee. The Council is adequately insured.

The Council has adequate internal controls in place to ensure that it carries out its day-to-day business effectively and efficiently.

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.

Council set its precept at its meeting held on 21st January 2025. A precept of £80,000 was requested (Minute 6.4).

6.4 - Approve the Precept for 2025/26 Resolution – The Council approved the precept for 2025/26 at £80,000.00.

It has been confirmed that a precept of £80,000 was requested. (MHCLG Parish Code E1801P147)

Budget monitoring reports are reviewed during the budget and precept setting period and on a quarterly basis by the Finance Committee.

The Council has set up Earmarked Reserves which includes funding for the new Parish Hall project. The Council has adequate General Reserves available (£18,000) but it is recommended that Council should aim to have at least 25% of its annual precept (£80k) as its General Reserve (£20,000).

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

ACCOUNT	AMOUNT
Unity Trust Current A/C	£370.27
Unity Trust Saver A/C	£408,868.84
Hub	£515.60
TOTAL	**£409,754.71**

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 other income for 2025/26 is bank interest, Newsletter, donations, solar farm income, grants and parishioner loans. These are all correctly recorded within the accounts.

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 operates a petty cash account for the Hub & Repair Café. The balance at year end stood at £515.60.

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.

Member do not receive a members' allowance.

A sample of salaries has been checked and confirmed. Salaries paid during the year have been reviewed. Gross pay is calculated in accordance with the relevant NJC scale. Tax codes are included on the payslips and deductions properly calculated.

Council is a not a member of a Pension Scheme.

A test sample was undertaken and it was 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. It is maintained on an annual basis and has been updated. Current value of the assets amounts to £24,614.24. This is the amount included on the AGAR.

Council has no long-term investments in place.

The Council has one loan in place. Details are as follows:

Number	From	To	Balance	Paid
847336	30-Jul-2025	30-Jul-2060	£492,857.14	£22,592.86

The Council has met this control objective.

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

Bank reconciliations are prepared regularly, reviewed and formally minuted.

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.

Note that once a Council exceeds the £200k expenditure limit the accounting requirements move from receipts and payments to income and expenditure and the Council is subject to the Smaller Authority Transparency Code. It is recommended that advice is sought from HALC as to the management of your

accounts for the next few years whilst the Parish Hall project is being delivered.

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)

Note that the Council will be expected to meet the following requirements during 2026/27 and may require a specific transparency page on its website:

- **Expenditure exceeding £500 -** Local authorities must publish details of each individual item of expenditure that exceeds £500.
- **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.
- **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.
- **Information to be published annually –** The following information should be published annually:
  - Local authority land (The Asset Register)
  - Social housing assets Not applicable
  - Grants to voluntary, community and social enterprise organisations
  - Organisation chart (Staff structure with Council and Committee structure)
  - 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 (Officer paid over the £50,000 threshold)
  - Constitution (Standing Orders)
  - Pay multiple (see the code)
  - Fraud (see the code)

Expenditure exceeding £100
Local authorities must publish details of each individual item of expenditure that exceeds £100. Published

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

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 23rd June to 1st August 2025. This meets the statutory 30 day requirement.

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 .gov.uk domain for its website and email. The Council meets best practice requirements.

The Council has adopted an IT policy as required.

The Council has an Accessibility Statement published on its website.

Recommend that this be updated to reference WCAG2.2AA. See note below:

Note that since September 2020, all parish and Parish 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.

It has been confirmed that Marden Parish Council website complies with WCAG 2.2 AA. It achieves 76%: Scan Results — CompliaScan

Accessibility has been reviewed and the parish council website scores 8.9 out of 10. WAVE Report of Marden Parish Council

Recommend that the Council's web provider be contacted to try to improve the above scores.

Data Protection requirements:
- Data Protection Lead – Clerk is the DP Lead.
- Data Audit:
- Training for staff and Councillors: Councillor and staff undertake relevant training.
- Data Protection Policy:
- Document Retention Policy:
- Privacy Notice:
- Both hard copy and electronic data have relevant protections in place.

A Freedom of Information Policy is in place:

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.