



KEMPLEY PARISH COUNCIL

Internal auditor's report for the year ended 31 March 2026

Name of Auditor: Amy Tregellas

GAPTC internal audits comply with the proper practices outlined in the Governance & Accountability for Smaller Authorities – A Practitioners' Guide and the Accounts and Audit Regulations 2015.

The GAPTC internal audit reviews and reports on whether the systems of financial and other internal controls over its activities and operating procedures are effective. The audit tests a variety of documents, including agendas and minutes, policies, insurance and risk management processes, to ensure Council meets the requirements set out in the Annual Internal Audit Report in the Annual Governance & Accountability Return. The internal audit does not involve the detailed inspection of all records and transactions of an authority in order to detect error or fraud.

Our auditors are independent of the Council and are competent to be able to carry out the requirements of the internal audit service.

NOTE The auditor will complete the Annual Internal Audit Report (AIAR) page on the Annual Governance & Accountability Return (AGAR). The AIAR informs the Annual Governance Statement (AGS) assertions on the AGAR, so when council reviews the AGS, the responses must reflect the AIAR report.

1. Governance and Policies

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
1	Have Financial Regulations been a) tailored to council? b) reviewed using the most recent version? c) minuted? (Objective B)	a) Yes b) Yes c) Yes	The Council's Financial Regulations were last reviewed and approved by the Council on 19 May 2025 (minute 179). The Financial Regulations have been updated to reflect the NALC Model Financial Regulations 2025. The Financial Regulations have been published on the Council website.	Well controlled	Assertion 1 Yes
2	Have Standing Orders been a) tailored to council? b) reviewed using the most recent version? c) minuted?	a) Yes b) No (not fully up to date with 2025 NALC Model) c) Yes	The Council's Standing Orders were reviewed and approved by the Council on 19 May 2025 (minute 189). The Standing Orders do not fully reflect the changes in the NALC Model Standing Orders 2025. The Standing Orders have been published on the Council website.	The review of the Standing Orders identified that some of the mandatory (bold) sections of the Standing Orders have not been updated to reflect the wording in the NALC 2025 Model. Section 14 (Code of Conduct complaints) needs to be amended as only mandatory point d remains in the Model Standing Orders. Section 18 Financial Controls and Procurement need to be fully reviewed as sections 18c, 18f and 18g need to be	Assertion 1 Yes – but with the caveat that the Standing Orders need to be updated.

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
				<p>deleted and the new mandatory section 18e needs to be added to the Standing Orders.</p> <p>Recommendation: Review and update the Standing Orders to ensure they reflect the NALC model Standing Orders 2025 (especially for the mandatory items in bold).</p>	
3	Code of conduct reviewed in the last 2/3 years?	Yes	<p>The Council's Code of Conduct was reviewed and approved by the Council on 19 May 2025 (minute 190). Code of Conduct is based on the Tewkesbury Borough Council Code.</p> <p>The Code of Conduct is published on the Council website.</p>	<p>The Code of Conduct has not been fully updated to reflect the changes in the Local Government Association Model Code of Conduct 2020 which contains specific reference to harassment and discrimination.</p> <p>Recommendation: Review the Code of Conduct to ensure that it covers the additional items in the LGA Model Code of Conduct 2020.</p>	<p>Assertion 3 Yes – the Code of Conduct has been reviewed in 2025/26</p>

2. Finance and Accounting

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
4	Bank reconciliations are considered by Council? (Objective I)	Yes	<p>There is robust evidence within the minutes that bank reconciliations are considered regularly by the Council. The Clerk confirmed that he reconciles the account monthly on Scribe and then checks the Scribe reconciliation screen to ensure it balances. The official report is run quarterly for the Council meeting.</p> <p>A sample of 4 bank reconciliations were checked to the bank statements. The auditor found 100% accuracy.</p>	This area is well controlled.	<p>Assertion 2 Yes</p>
5	VAT claims have been submitted and are up to date (objective E)	Yes	<p>The Council submits VAT S126 returns once a year. The last claim covered the period of 1 April 2024 to 31 March 2025 and has been submitted to the HMRC. The receipts list includes the reclaim amount of £242.53</p>	N/A	<p>Assertion 1 Yes</p>

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
6	S137 a) is there a separate account for payments? b) are totals within statutory limits? (objective A)	a) Yes b) Yes	The Council has a separate budget line for S137 expenditure but did not incur any S137 expenditure during 2025/26	N/A	Assertions 1&3 Yes
7	Is there an annual council authorisation of Direct Debit list and Standing Orders? (Objective B)	Yes	The Council's list of Direct Debits for 2025/26 was reviewed and approved on 19 May 2025 (minute 204). It is also noted that the Direct Debits are reviewed at every meeting as part of the list of payments, which is a standing item on each agenda and published in the minutes.	This is well controlled	Assertion 2 Yes

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
8	Cashbook provided and random sample checked.	Yes	<p>A sample of five transactions were selected from the cashbook over 4 months of the financial year.</p> <p>Transactions were checked from invoice to the cashbook and bank statement.</p> <p>In all instances the invoices were correctly addressed, had invoice numbers and the VAT had been calculated correctly, where appropriate.</p> <p>The only income received by the Council in 2025/26 was the Precept and VAT reclaim.</p>	N/A	Assertion 2 Yes

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
9	Internal controls a) policy in place? b) evidence checks took place as per Council's Fin Regs/Standing Orders (Objective B)	a) Yes b) Yes	<p>The Council has an Internal Control Policy. The Policy sets out that a review of the internal controls will be carried out annually.</p> <p>The minutes of the 10 November 2025 meeting (minute 270) agreed the two councillors who would complete the annual check. However, there is no information in future minutes to confirm that the check has been completed and discussed at a Council meeting.</p>	<p>The checklist confirms that the check was carried out on 17 March 2026. The Clerk confirmed that the annual check has taken place but not in time for consideration at the May meeting. It has been added to the July 2026 agenda.</p> <p>Financial Regulation 2.4 states 'At least once a year, the Council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.'</p>	<p>Assertion 2 Yes because it is not a mandatory requirement to have a Statement of Internal Controls (but is considered to be best practice)</p>

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
10a	<p>Was budget for 25-26 prepared? a) prepared? b) adopted by Full Council? c) Was precept calculated and approved? (Objective D)</p>	<p>a) Yes b) Yes c) Yes</p>	<p>The RFO prepared the draft budget which was considered by the Council on 18 November 2024 (minute 103).</p> <p>The draft budget was agreed in at the 13 January 2025 meeting (minute 118) but the amount of the budget was not listed in the minutes.</p> <p>The Precept was approved on 13 January 2025 (minute 119) states that the Precept amount for 2025/26 was £7,255.</p> <p>The Precept was cross referenced to the receipts list and AGAR Accounting Statements Box 2 and the auditor found that the figures match. £7,255 was received in 25/26.</p>	<p>Budget & Precept The Good Councillor's Guide to Finance 2025 states that 'the key stages in the budgeting process are:</p> <ul style="list-style-type: none"> • review of current year budget and spending; • determine the cost of spending plans; • assess levels of anticipated income; • provide for contingencies and the need for reserves; • approve the budget; • set the precept' <p>The SAPP Practitioner's Guide and The Good Councillor's Guide to Finance 2025 set out that the budget and precept amounts should be specified in the minutes.</p> <p>Recommendations:</p> <ul style="list-style-type: none"> • In future ensure that the amount of the Budget is recorded in the minutes. 	<p>Assertion1 Yes</p>

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
10b	<p>a) Were the earmarked reserves identified?</p> <p>b) Were the general reserves reasonable?</p>	<p>a) Yes</p> <p>b) Yes</p>	<p>The Council does not have a General and Earmarked Reserves (EMR) Policy.</p> <p>The Council has a list of General and EMRs which is reviewed as a standing item at each Council meeting.</p> <p>The level of balances at the year end (i.e. 31 March 2026) was £5,115. This is split between EMR £3,998 and general reserves of £1,117.06. This equates to roughly 3 months operational expenditure which meets the SAPPP Practitioner's Guide</p>	<p>The SAPPP Practitioner's Guide:</p> <ul style="list-style-type: none"> Section 5.32 states 'All reserves should be reviewed and justified regularly (i.e. at least annually). It is good practice to transparently publish both the level and rationale of all reserves.' Sections 5.34 and 5.35 state 'the generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure' ... 'the smaller the authority, the closer the figure may be to 12 months expenditure, the larger the authority, the nearer to 3 months.' <p>Recommendations:</p> <ul style="list-style-type: none"> The Council should draft and approve a Reserves Policy. 	<p>Assertion 1</p> <p>Yes</p>

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
11	Were end of year accounting statements a) prepared? b) match cashbook? c) supported by report?	a) Yes b) Yes c) Yes	The accounting statements for 2025/26 have been prepared on the receipts and payments basis. There is a clear audit trail between the cashbook and accounting statements. The variances due to using the income and expenditure basis have been documented and explained. All figures in the AGAR Accounting Statements can be traced back to the cashbook totals and were found to be correct.	The Internal Auditor checked the figures in the AGAR Accounting Statements back to the cashbook and asset register. They are 100% accurate.	Assertion 6 Yes
12	Did the council periodically compare budget vs spend (as detailed in the FRs)? (Objective D)	Yes	The Council has regularly monitored the budget during 2025/26. Budget monitoring is a standing item on each agenda, and the report is appended to the minutes.	This area is well controlled.	Assertion 1 Yes

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
13	<p>Was Petty Cash expenditure</p> <p>a) Approved?</p> <p>b) supported by receipts?</p> <p>c) VAT accounted for?</p> <p>(Objective F)</p>	N/A	The council does not have any petty cash	N/A	Assertion 1 N/A
14	<p>Was Insurance policy reviewed to ensure still fit for purpose?</p> <p>(Objective C)</p>	Yes	<p>The Council's insurance policy is with Zurich Municipal and runs from 20 July 2025 to 19 July 2026.</p> <p>The minutes of the 19 May 2025 meeting (minute 205) confirm that the Council has reviewed the insurance renewal.</p> <p>The Auditor checked the details in the Insurance Policy to the amounts listed in the Asset Register. The amounts insured for premises, contents and additional assets looked adequate.</p>	<p>The insurance is adequate for the Council's assets.</p> <p>The Council has:</p> <ul style="list-style-type: none"> • £12m Public Liability Insurance • £10 Employer Liability Insurance • £250K Fidelity Guarantee 	Assertion 5 Yes

3. Payroll and Employment

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
15	Do all staff have a NALC contract of employment? Copy seen by auditor?	Yes	All members of staff have contracts of employment.	N/A	Assertion 3 Yes
16	Has Council's PAYE / NIC been properly dealt with (including year-end procedures)? P32 seen (if relevant)? (Objective G)	Yes	Payslips clearly show that deductions have been made for Income Tax (which was the only deduction). There is clear evidence that payments are being made to the HMRC on a monthly basis.	N/A	Assertion 3 Yes
16a	Have the salaries of staff been calculated correctly?	Yes	Three months salary payments were tested. This included checking the SCP and hourly rate and hours. These were checked to payslips and through to the bank statements. The auditor found 100% accuracy.	This is well controlled	Assertion 3 Yes
16b	The Council has met pension obligations	Yes	The Council is not paying a pension due to the number of hours. The Council is up to date with returns to the Pension Regulator.	N/A	Assertion 2 Yes

4. Transparency and Public Rights

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
17	Are all sections of the 24/25 AGAR published on the website? (Objective L/N)	Yes	The Council has published the following sections of the 2024/25 AGAR on the council website: AGAR Certificate of Exemption (as gross income and gross expenditure are both below £25,000) AGAR Annual Internal Audit Report Section 1 – Annual Governance Statement Section 2 – Accounting Statements Detailed Internal Audit Report Explanation of Variances Bank Reconciliation as at 31 March 2025. Notice for the exercise of public rights	All items correctly published as per the publication requirements listed on the front page of the AGAR and within the Transparency Code.	Assertion 3 Yes
18	Did council correctly provide for the exercise of public rights? (Objective M)	Yes	The notice for the exercise of public rights lists the dates as Friday 20 June to Thursday 31 July 2025. This is reflected in minute 218 (18 June 2025)	N/A	Assertion 4 Yes

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
19	24/25 internal (and if relevant external) audit report/s a) reviewed by council; and b) action taken where recommended?	a) Yes b) Yes	<p>The Internal Audit Report was considered on 18 June 2025 (minute 214). Both the Annual Internal Audit Report and detailed Internal Audit Report have been published on the Council website.</p> <p>All recommendations made by the Internal Auditor were considered by the Council.</p> <p>The Council certified as exempt from an external audit so no external auditors report was received by the Council.</p>	As per the guidance, the Internal Audit report was considered before the Council reviewed and approved its Certificate of Exemption, Annual Governance Statement (AGS) and Accounting Statements.	Assertion 7 Yes

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
20	Does the Council use a Gov.uk Domain and email addresses?	No	<p>The Council email address is clerk@kempleyparishcouncil.org</p> <p>The website address is www.kempleyparishcouncil.org</p> <p>The Clerk confirmed that councillors use a separate email address solely for council business.</p>	<p>The SAPP Practitioner's Guide recommends that a .gov.uk or .org.uk domain name is used so the Council might want to review the domain name.</p> <p>Recommendation: The Council considers moving across to a .gov.uk domain for email and the website.</p>	<p>Assertion 10 No</p>
20a	The council has adopted a formal IT Policy covering secure and lawful use of IT systems.	Yes	<p>The Council approved its IT Policy on 10 November 2025 (minute 272). The Policy is published on the Council website. The Policy outlines the guidelines and responsibilities for the appropriate use of IT resources and email by council members, employees, volunteers, and IT contractors.</p>	N/A	<p>Assertion 10 Yes</p>

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
20b	The council has adopted policies to meet the Data Protection Regulation (GDPR) 2016 and Data Protection Act (DPA) 2018.	Yes	<p>The council is registered as a data controller with the Information Commissioner's Office.</p> <p>The council has a Data Protection Policy which was updated on 17 March 2025 (minute 151) and has been published on the council website.</p> <p>The policy does not include information on the Council's procedures for data breaches and Subject Access Requests.</p> <p>The council has a publication scheme which was last updated on 17 March 2025 (minute 156) and is published on the council website.</p> <p>The council does not have a Privacy Notice and a Document Retention Policy.</p>	<p>Recommendations:</p> <ul style="list-style-type: none"> • Consider publishing the Data Controller Registration Certificate on the Council website. • Update the Data Protection Policy to add the Council's procedures for dealing with Data Breaches and Subject Access Requests. • Draft and approve a Privacy Notice • Draft and approve a Document Retention Policy • Ensure that the Clerk and councillors attend Data Protection training in 2026/27. 	<p>Assertion 10 Yes - Basic policies are in place but further policies and procedures are recommended.</p>

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
20c	The Council website meets the Web Content Accessibility Guidelines (WCAG) 2.2 AA	No	The Council website accessibility statement does not meet WCAG 2.2AA. It has not been updated from WCAG 2.1AA.	Recommendations: <ul style="list-style-type: none"> • The Council ensures that the Council's website is accessible and meets WCAG 2.2AA. • That the Council reviews and approves the website Accessibility Statement on an annual basis. 	Assertion 10 No

5. Additional information – if relevant

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
21	Has the General Power of Competence been adopted?	No	The council has not adopted the General Power of Competence (GPC).	N/A	Assertion 3 Yes
22	Have assets a) been inspected for risk? b) any actions undertaken and recorded? (Objective C)	a) Yes b) Yes	There is clear evidence in the Council minutes that the Council takes the management of its assets seriously and regularly reviews the condition of the assets. This is good practice and demonstrates that the	This area is well controlled.	Assertion 5 Yes

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
			<p>Council is managing its assets well.</p> <p>There is evidence in the Council minutes that assets are being checked and repairs being reported and approved by the Council.</p>		
23	<p>Is asset register</p> <p>a) reviewed regularly? (Objective H)</p> <p>b) published on website? (Objective L)</p>	<p>a) Yes</p> <p>b) Yes</p>	<p>The council has an Asset Register which was reviewed and approved on 19 May 2025 (minute 199).</p> <p>The total of the assets listed in the Asset Register as at 31 March 2026 is £8,930.03 which matches Box 9 in the Accounting Statements.</p> <p>The Audit had difficulty balancing the Asset Register to the figure in the 2024/25 AGAR. The Clerk confirmed that a couple of items had been left off the list and the figure as at 31 March 2025 needs to be restated to £9,040.</p> <p>The Asset Register is published on the Council website.</p>	<p>Recommendations:</p> <ul style="list-style-type: none"> • Ensure that the Asset Register as at 31 March 2025 total of £9,040 is listed as restated in the Accounting Statements Box 9. • The Council reviews the Asset Register to ensure that it is up to date and includes the items that had previously been left off the list. • Going forwards, ensure that there is a clear audit trail on the Asset Register which lists acquisitions and disposals for the financial year. 	<p>Assertion 5</p> <p>Yes</p>

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
24	Risk Management policy a) adopted? b) reviewed annually by Council? (Objective C)	a) Yes b) Yes	<p>The council has a Risk Management Scheme which was last reviewed and approved on 17 March 2025 (minute 152).</p> <p>The colours used in the Policy don't really match the colours in the risk assessment. For example, in the Policy high = red; medium = amber; low = green. In the risk assessment low = orange and medium = red. The Policy should be reviewed to ensure the colours are consistent with the level of risk</p>	<p>Recommendations:</p> <ul style="list-style-type: none"> • Ensure that the Risk Management Scheme is reviewed annually. • Consider reviewing the risk assessment more than once a year to ensure that current risks are being appropriately managed and any new or emerging risks are considered and captured. • Review the risk level colours in the Risk Assessment to ensure they are consistent with the Policy (i.e. high = red, medium = amber and low = green) 	Assertion 5 Yes
25	Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations?	Yes	There is evidence in the minutes where quotes are considered.	N/A	Assertion 2 Yes

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
26	Is the Council a Managing Trustee? a) charity name b) charity number c) Copy of 24/25 AGM minutes seen (Objective O)	No	N/A	N/A	Assertion 9 N/A