Ashburton Town Council
Financial Year 2025-26

Date considered by Council _______ ***06/06/2026*** ___________

Year End Internal Audit Observations

Minute Reference _________ ***084.26*** _________

IAC Audit and Consultancy Ltd

Audit date: 2 June 2026

B ***This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.***

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Has the Council formally Minuted confirmation of bank signatory arrangements?	No	*From a review of records it was not possible to verify when the Council reviewed and confirmed the bank signatory arrangements.*	Council to formally review and approve the bank signatory arrangements. This should include approving who the bank signatories are and what mandate is to apply (for example 'any two to sign').	High	***Bank signatories and mandate application will be presented for approval at the next available Full Council meeting***
2	If payments are made under Direct Debit and Standing Order have these been subject to review and approval by Council in accordance with Financial Regulations?	No	*Direct Debits/Standing Orders have not been approved as required under the Councils Financial Regulations.*	Council to ensure that Direct Debits/Standing Orders are approved in accordance with Financial Regulations.	Medium	***A full list of Direct Debits will be presented for each bank account at the next Finance Committee meeting***

D ***The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.***

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The Council has reviewed any points raised by the External Auditor as required	No	*From a review of Minutes it was not possible to verify that the Council has reviewed the report of the External Auditor*	The Council to ensure that, on an annual basis, it formally records a review of the External Auditors report in the Minutes of the relevant meeting.	Medium	***Going forward, the External Auditors report will be reviewed and clearly minuted at the first available Full Council meeting.***

2	Council has reviewed independence of the Internal Auditor	No	*It was noted that the Council has not formally considered the independence of the Internal Auditor as set out in the Practitioner's Guide paragraph 4.11*	The Council to ensure that , on an annual basis, it formally considers the independence of the Internal Auditor. It may be appropriate for this to be done at the same time as the Council considers the Annual Internal Audit Report.	Medium	***During agenda item 084.26, Council will formally consider and minute that the Internal Auditor is personally, financially and professionally independent from Ashburton Town Council***

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.***

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Employees have contracts of employment with clear terms and conditions	Yes	*It was noted that the wording of contracts of employment was not clear. There some ambiguity, for example, on when, or if, staff members were entitled to increments.*	Council to review the format of employment contracts in use. The Councils should consider adopting the NALC model contract format.	High	***Employment contracts to be reviewed by the Human Resources sub-committee for recommendation for adoption at Full Council and NALC model contracts to be considered.***
2	Salaries paid agree with those approved by the council	No	*It was noted that one member of staff has not been paid in accordance with their contract of employment. The Contract states an annual salary (and therefore the monthly salary should be 1/12 of that amount), however the actual pay has been paid on the basis of 52 weeks. This has resulted in a small underpayment of salary.*	The Council to note that one member of staff has not been paid on the annual contractual rate of pay and has therefore been underpaid. The Council to arrange to compute the value of the underpayment and make arrangements to pay the amount due.	High	***Council to calculate the underpayment value and agree to pay the amount due. Additionally, Council to corrent the monthly pay going forward.***
3	The Council has in a place a process for the review and approval of overtime or Time In Lieu.	Yes	*It was noted that one member of staff has been paid overtime at double time which is not in accordance with their contract of employment (this states that overtime is to be paid at "time and a half").*	The Council to review and confirm the overtime rate payable.	High	***Double time' was agreed for hours worked after midnight, however the contract was not reviewed to reflect this. This will be corrected during the review of employment contracts.***

H ***Asset and investments registers were complete and accurate and properly maintained.***

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The asset register has been subject to review by Council	Yes	*It was noted that the asset register reviewed and approved by the Finance and Town Hall Buildings Committee on 19th May 2026 was incorrect. The total asset value on the schedule was approximately £20,000 below the value as at 31st March 2025.* *It is a matter of concern that a register, which was clearly incorrect, had been approved without further query.*	The Council to the note that the asset register had been approved despite containing obvious errors. In future the Council (or nominated Committee) must ensure that any change to the value of the asset register agrees to the value of assets acquired or disposed of during the year.	High	***The asset register was incorrectly updated at the closure of the 2024/2025 financial year end. The closing balance figure should have been carried forward to 2025/26, however this was missed. This was not realised until the Year End Internal Audit and therefore the incorrect asset register was approved. Going forward, it is essential to close the year when complete and any amendments must be carried forward.***
2	Total of Asset Register agrees to Box 9 value of Accounting Statements	Yes	*The original asset register provided (which had previously been reviewed and approved at Finance and Buildings Committee) totalled £77,158.3, some £22,745.78 below the prior year value.* *The register was corrected by the Clerk during the audit visit and stated a corrected value of £100,130.80.*	The Council to review the updated asset register prior to the approval of the Annual Accounting Statements.	High	***Going forward, the previous year's asset register will be presented alongside the review of the current year's asset register. This will then clearly define any additions or disposals.***

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.***

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Year-end debtor balances are reasonable and agree to year end Trial Balance	No	*It was noted during the audit visit that debtors recorded in SCRIBE where not appearing on the Balance Sheet, of on the AGAR Accounting Statement.*	Council to review the value stated for Debtors and agree them to the Trial Balance.	Medium	***Scribe automatically creates a Debtors list. It created some confusion for the Clerk aswell as the Internal Auditor that this was not appearing on the Balance Sheet. This was resolved during the audit visit, and the accounting statement was corrected.***

O ***The authority complied with laws, regulations & proper practices relating to digital and data compliance.***

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The Council has an IT Policy in place.	No	*As at the date of the year end audit the Council did not have a IT policy in place.*	The Council, as a priority, to put in place an IT policy.	Medium	***Council will review and approve an appropriate IT policy at the earliest opportunity.***
2	The Council has carried out a website accessibility test.	No	*As at the date of the year end audit the Council had not conducted a website accessibility test.*	The Council to arrange to conduct a website accessibility test, the outcome of which should be reported to Council.	Medium	***Website accessibility has always been managed by the website provider. However, Council should conduct their own test. This was demonstrated during the audit - with a good outcome of 86% compliance. Going forward, this will be reviewed bi-annually.***
3	The Council has conducted a data audit in accordance with GDPR practice.	No	*As at the date of the year end audit the Council had not carried out an audit of the personal data it holds.*	The Council to arrange to conduct a GDPR audit of the personal data it holds. A template for this, issued by SLCC, was provided to the Clerk during the audit visit.	High	***Whilst personal data held by the council has been reviewed by the Clerk's office, the formal data audit requirement has not yet been completed. This is a top priority of the Council, using the SLCC template for guidance.***