Please note the numbers against comments for reference to the appended page at the end of this report containing the Parish Council's responses to the reccomendations made.

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Date 6th June 2026

INTERNAL AUDIT – WEMBDON PARISH COUNCIL

I have been appointed to undertake the internal audits at Wembdon Parish Council. The annual internal audit for 2025/26 financial year was completed on 6th June 2026.

I can confirm that I am independent of the Parish Council.

The scope of my work is limited to completing the audit testing and enquiries I deem necessary to complete the Annual Internal Audit Report for Local Councils in England. I 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 I am not conducting a financial statement audit in accordance with standards and guidelines issued and my 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.

I am 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 identified a number of recommendations to help update and improve the Council's current procedures. The audit has found areas of concern but generally 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.

A. R. Jay.

Tony Jay

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 Parish Clerk is the RFO as required under S151 of the LGA 1972.

The Council maintains its accounts using the Scribe accounting system. 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 cashbook against the bank statements and invoices paid;
- A sample of Payments have been checked against the bank statements to verify accuracy;
- Expenditure incurred is appropriate.

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 minutes of the May 2025 council meeting included an item to review standing orders and financial regulations, and this was adjourned to the June meeting. An examination of the June minutes and future council meeting minutes shows that these reviews and re-approval of these documents did not take place.

The standing orders and financial regulations published on the parish council website are not the latest versions and need to be updated accordingly.

1 A budget update is not presented to Council at each meeting. This should be done, or it should be noted that this has been circulated to councillors prior to the meeting. A list of invoices for payment to be made is presented at meetings. Approvals are minuted in the Council minutes and payment is via online banking. All payments are authorised by two Councillors.

The Council has a Risk Management Strategy in place.

There is appropriate segregation in place and an adequate process to enable the detection and identification of potential fraud.

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 £177,572 as at 31st March 2026

The Council has met this 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.

2 Both Standing Orders and Financial Regulations are based on the latest NALC template versions but are not the latest versions.

The invoices procedure is as follows:

- On receipt reviewed for accuracy;
- Coded to correct cost centre;
- Invoices are printed and filed;
- Payment schedule presented at each meeting for approval;
- Payments ratified at each meeting;
- Invoices are kept in secure storage.

There is appropriate segregation in place.

VAT is claimed annually. Accurate VAT records are maintained, but invoice dates are
3 not all shown on the 2025-26 VAT submission which is a HMRC requirement. £10,084.64 was claimed in 2025-26.

The Council has a Lloyds credit card in place.

The Council has General Power of Competence in place until May 2027 due to the previous Clerk holding the CiLCA qualification.

The Council has only partially met this this control objective. The Council can tick YES on point two of the governance page of the 2025-26 AGAR if Standing Orders and Financial Regulations are amended to the latest versions as soon as possible.

NOTE - I have examined the minutes of the Annual Parish Council meeting held on
4 12th May 2025 which are posted on the council website. They do state that they are the minutes of the Annual Council Meeting, not the Annual Parish Council Meeting. Resolutions are recorded as 'Approved' or 'Supported' when they should state 'It was resolved to….'. The minutes stated the new Councillor roles and responsibilities were agreed, but this does not include the names and roles and responsibilities of Councillors.

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

The Council has a Financial Risk Register in place.

An Asset Register is in place. The value of assets meets Box 9 of the AGAR: £178,622. It is noted that no new assets were purchased during 2025-26.

The Council is insured with Ecclesiastical. Cover runs from 1st June 2025 to 31st May 2026.

A review of the insurance policy has been undertaken and Council is adequately insured.

Play area inspections are carried out monthly by GB Sports. An annual RoSPA playground inspection is carried out.

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.

5 At its meeting held on 12th January 2026 the council formally approved the budget and the setting of a precept. (Minute 7/26). The precept resolved was £127,500. This

is an increase of £16,508 on the previous year. An explanation for this increase should have been included in the meeting minutes.

It has been confirmed that a precept of £127,500 was requested,

At the start of the 2025-26 financial year the council held £137,592 in reserves. At the end of the financial year this had increased to £177,572. I question why the precept was increased when the council's reserves were growing during the 2025-26 financial year. The Council has a loan with the PWLB. The current loan value is £128,446. As the Council is holding £177,572 in its accounts consideration should be given to paying off some of this loan to reduce the interest charged on the loan.

6 The Council has set up Earmarked Reserves, and these are reviewed regularly. The Earmarked Reserves stand at £113,100 at year end, which includes 50% of annual costs. The additional £64,672 held could be used to reduce the outstanding loan.

7 I note that the council is building up an earmarked reserve of £1,000 per year for car park maintenance however the asset register shows that the council does not own a car park.

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

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

ACCOUNT	AMOUNT
Unity Trust Account	£7,637.49
CCLA	£170,000.00
Less an unpresented payment	-£64.79
TOTAL	**£177,572.70**

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.

The Council has no aged debtors.

The Council manages an allotment site. All income and expenditure is properly recorded in the Council accounts.

The Council is not a burial authority.

The Council does not hire out any venues.

The Council does not have any leases in place.

Council's other income for 2025/26 included allotment rent and advertising revenue.

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 does not operate a petty cash system and did not make any cash payments during the financial year.

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. It is based on the NALC model.

Member do not receive a members' allowance.

A sample of staff 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.

I note that at the start of the financial year payroll was undertaken using an external provider, but this was changed to the clerk administer payroll herself using HMRC tools. The decision to make this change was not minuted in a council meeting, along with the reason for the change.

No pension contributions are made.

Employee National Insurance contributions have been deducted and both employee and employer National Insurance contributions are paid.

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 and has been reviewed.

The current Asset Register includes a number of additions as well as insurance value of relevant items and replacement values.

A comparison of the insurance schedule against the asset register has been undertaken. Council has adequate insurance cover in place.

The Council has no long-term investments in place.

The Council has met this control objective.

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

Bank reconciliations are being prepared monthly and are supplied to Full Council.

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.

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.

The Council has met this control objective.

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)

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

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

8 Annual publication of councillor or member responsibilities no later than 1 July in the year immediately following the accounting year to which it relates. Not 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 as part of the asset register.

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 partially 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 17th June to 28th July 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

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 email addresses for its Clerk/RFO and its Councillors. Council meets best practice advice by having a .gov.uk domain for its website and email account.

The Council has adopted an IT policy as required.

The Council has an Accessibility Statement.

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.

9 It has been confirmed that Wembdon Parish Council website does not currently comply with WCAG 2.2 AA. It achieves 81% and needs improvement: Scan Results — CompliaScan

Accessibility has been reviewed and the parish council section of the website scores 9.9 out of 10. WAVE Report of Wembdon Parish Council

Data Protection requirements:
- Data Protection Officer – The Parish Clerk has been appointed.
- Data Audit: In place.
- Training for staff and Councillors: Not carried out but being arranged.
- Data Protection Policy: In place
- Secure data to protect it from Data Breaches: Policies are not in place.

The Council has the following data governance policies in place:
- Privacy Notice – In place
- Data Protection Policy – In place
- Document Retention Policy – In place
- Subject Access Request Policy – Not in place
- Data Breach Policy – Not in place
- FOI Publication scheme - Not in place

10 The Council does not have a Grievance Policy or a Discipline Policy. These should be approved and then published on the Council website.

The Council has not met this control objective, but this is a new requirement
11 **for the 2025-26 audit so the Council can tick YES to point ten of the governance page of the 2025-26 AGAR if all required policies are in put in place as soon as possible.**

P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.
The Council is not a sole trustee.

I note that the font and font size on the minutes of council meeting is not
12 standardised and varies within each document. A font such as Ariel or Calibri should be used, the font size should be 12 and italic text should not be included to comply with the Website Accessibility Regulations.

The Council responses to the recommendations made by the Internal Auditor.

19th June 2026.

1. This will be done going forward, The Clerk will create a regular item on every agenda.

2. They were dated October 2025 which is within the respective financial year. They were reassessed at the May 2026 meeting, and the dates have been updated accordingly.

3. This will be done from now on, although HMRC have not refused any claims.

4. The Councillor details and interests page on the website includes the role and responsibility they are each dedicated to and is kept up to date.

https://wembdonparish.gov.uk/?page_id=662

5. Yes, it should have been, although it is still £3492.00 below the increase in 2024-2025 of £20,000 which was then removed, so the precept dropped back down to the 2023-2024 amount.

6. The Parish Council considered repaying either all or a portion of this loan during this financial year and resolved to maintain the loan. The reasoning for this was based on the interest earned from the funds invested is higher than the cost of the loan interest, and they may have the option to purchase land they currently rent in the near future.

7. The Parish Council is entering into an agreement with The Church to resurface a parking area within the Parish using Community Infrastructure Levy funds and will then contribute to 70% of the maintenance in future years. £1000 per year will be set aside for future maintenance.

8. The Councillor details and interests page on the website includes the role and responsibility they are each dedicated to and is kept up to date.

https://wembdonparish.gov.uk/?page_id=662

9. The Parish Council will continue to work to improve this rating as soon as possible and aims to achieve full compliance with WCAG2.2AA by March 2027.

10. The Council views employee documents as non-public policies. They are in place, but they are not displayed on the website

11. The Council will review the required policies in the next 3 months and implement them once they are agreed.

12. The Clerk will publish the minutes in font size 12 going forward.