

Beverley Bell
Clerk to Cranleigh Parish Council

8 April 2026

Dear Beverley

Cranleigh Parish Council - Internal Audit 25-26

The internal audit for the 25-26 financial year is now complete. I am pleased to report that I have signed off the internal audit section of the Annual Governance and Accountability Return (AGAR) for with no comments.

As stated in the engagement letter, the scope of our work is limited to completing the audit testing and enquiries we deem necessary to complete Section 4 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 by the Audit Practices Board and our procedures are not designed to provide assurance over the reliability and quality of your financial statements and management information – that is the job of external audit.

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 control assertions are set out below, together with the results of my internal audit work for 25-6. Recommendations are set out at Appendix A. Areas not tested because they are not relevant to this Council are listed at Appendix B.

The audit was carried out in two stages. The interim audit was carried out on 17 November, this concentrated on in year financial transactions and governance controls. The final audit was carried out on 8 April and concentrated on the statement of accounts and balance sheet.

☎ 07958 990310

✉ mike@aprilskies.co.uk

Company Registration Number 14174016
6 Uplands Road. Farnham GU9 8BP

A. Books of Account

Interim Audit

The Council uses RBS Omega, an industry specific accounting package, alongside the purchase and sales ledger modules. Room bookings are recorded on an outlook calendar, and bookings invoices are generated from these records. There have been no change to financial systems in 25-26. The Omega system is used to report and record the financial transactions of the Council and a review of the cashbook shows that all data fields are being entered, and that the accounts were up to date. My audit testing showed that supporting documentation could be readily located from records recorded on the Omega System.

I tested opening balances on the Omega system at 1.4.25 and confirmed they could be agreed back to the audited accounts for last financial year. Box 7 on the AGAR for 24-25 was £394,207, this has been agreed to the opening balance sheet on the Omega system.

I confirmed that the Council's VAT returns are up to date, with VAT claimed to the end of September 2025 (quarter 2). VAT reclaimed was £7,399. I checked that figures in the VAT return have been derived directly from the RBS system and confirmed with the Clerk that the return was submitted to HMRC. I checked the refund into the bank account, this was banked on 8th October. The Q2 VAT claim has been agreed to the month 6 balance sheet, so the VAT nominal account is in balance.

Final Audit

The accounting statements have been agreed back to year end reports produced from the Rialtas accounting system. All comparatives reported in the financial statements have been agreed back to the audited 24-25 accounts, as published on the Council website. Arithmetic in the financial statements has been checked.

I confirmed that the VAT return for period January to March 26 has been completed and was submitted to HMRC on 4 April 2025. VAT of £4,604 was reclaimed, the Council is up to date with VAT.

My interim report was considered at the December Full Council meeting (minute 9.5)

B. Financial Regulations & Payments

Interim Audit

Financial Regulations and Standing Orders are both based on NALC templates. The Council last reviewed the financial regulations in September 25 – minute 15, a minor change was recorded.

The Council has a robust process for authorisation of payments to suppliers. The Council approves expenditure via the annual budget process, individual payments are approved at a Council meeting, this is notified in minutes and the Chairman initials the payment schedule. Payments are next set up at bank by 2 officers. Bank authorisation is completed electronically by two councillors and the Clerk retains bank authorisation records. (this is necessary as the bank does not retain authorisation data).

☎ 07958 990310

✉ mike@aprilskies.co.uk

Company Registration Number 14174016
6 Uplands Road. Farnham GU9 8BP

I tested a sample of payments selected at from the cashbook for the first 6 months of 2025-26. For all payments tested I was able to confirm

- Payment per cash book agreed to invoice
- VAT correctly accounted for
- Expenditure appropriate for this council
- Invoice signed off by 2 councillors
- Where appropriate, minutes recording authorisation to purchase were viewed
- Printed bank records show payment authorised by two councillors

Final Audit

Non pay expenditure per box 6 to the accounts amounted to £461,712 down from £875,908 in 24-25 . The decrease is due to works at the Village Hall in 24-25.

I tested 4 further payments from the final 3 months of the financial year and confirmed the following:

- VAT correctly accounted for
- Expenditure appropriate for this council
- Expenditure approved by council – 3 large value invoices selected and approval checked to minutes
- Invoice authorised by 2 councillors at bank - checked to bank audit log
- Payment per cash book agreed to invoice
- Invoice signed off by 2 councillors

C. Risk Management & Insurance

Interim Audit

The Council undertakes a full risk assessment annually. I have confirmed with the Clerk that the 25-26 risk assessment will be approved at the January 2026 meeting of Full Council. I will review this at my final audit visit.

There is an additional assertion in the Annual Governance Statement for 25-26, relating to management of digital information. The Clerk confirmed that the Council is carrying out the following work to strengthen existing controls in this area:

- Provision of additional GDPR training
- Review of website information to check for accessibility
- Continued maintenance of existing IT policies and procedures

I have confirmed that the Council has a valid insurance certificate, with an expiry date of August 2026. Insurance has been arranged by Clear , and the Council is insured with Ecclesiastical. Asset cover is monitored by the Clerk and is checked against insurance values held in the asset register. 10 buildings are insured. Asset insurance cover is as follows

☎ 07958 990310

✉ mike@aprilskies.co.uk

Company Registration Number 14174016
6 Uplands Road. Farnham GU9 8BP

April Skies

Accounting

Item Insured	Sum Insured	Declared/Full Value
BUILDINGS	£7,131,273	£5,942,728
CONTENTS	£484,790	£403,992
Street Furniture	£120,000	£100,000
Walls, Gates and Fences	£125,929	£104,941
Playground Equipment	£358,636	£298,864
War Memorials	£90,000	£75,000
CCTV Equipment	£53,535	£44,613
Ground Surfaces	£438,808	£365,674
Mowers and Machinery	£82,290	£68,575
Sports Equipment	£74,104	£61,754

A test restore of council documents on sharepoint was completed in October 25. RBS accounting data is backed up on each use by staff at the Council, and is therefore backed up using sharepoint back up processes.

Final Audit

The Council reviewed and approved the Risk Assessment at the 15 January meeting of Full Council (minute 16). I have reviewed the risk assessment, and it appears sufficient for a council of this size, with evidence of update in year. The risk assessment is supported by detailed risk assessments for individual activities and assets.

D. Budget, Precept & Reserves

Interim Audit

The Clerk confirmed that the 26-27 budget process is under way. Finance Committee will review the budget in December, with Full Council approval due in January. First draft budgets have been prepared. I will review outputs from this process at my year end audit.

The Council continues to review budget against actuals each quarter, as required by financial regulations. The quarter two budget monitoring report is due to be discussed at the Finance Committee meeting in December. I reviewed the quarter one budget monitoring report which was reported to Finance Committee in July 25. A detailed narrative report was prepared setting out information on all budget variances. Information on debtors and reserve balances was also reported.

☎ 07958 990310

✉ mike@aprilskies.co.uk

Company Registration Number 14174016
6 Uplands Road. Farnham GU9 8BP

Final Audit

Reserves at 31 March 2026 were £482,688 (24-5 £394,207).

General reserves at year end were £197K. This represents 39% of precept, which is at the mid-point of recommended levels set out in the NALC Practitioners' Guide. General reserves are held at an appropriate level.

I reviewed earmarked reserves. The largest earmarked reserves are:

- £88K - Machine Shed
- £44K - Capital Reserve Fund – to support initiatives in the business plan
- £72K – Snoxhall pavilion, refurbishment monies.
- £44K – Rec Bridge – S106 money, plus other monies.

Other reserves are in place to support assets, expenditure contingencies and projects. Minutes confirm reserves are checked quarterly by Finance Committee. I am satisfied that earmarked reserves are well managed and appropriate for this Council.

The 26-27 budget was approved at the Full Council meeting on 18 December 2025 (minute 22), alongside the precept, which was set at £670,818 . A balanced budget was set, this is summarised below:

	26-27 approved budget £	Total £
Income	148,950	
Precept	670,818	
		819,768
Expenditure	726,447	
Business Plan	25,358	
Election Costs	7,000	
Xmas	1,963	
Forward Maintenance	59,000	
		819,768

☎ 07958 990310

✉ mike@aprilskies.co.uk

Company Registration Number 14174016
6 Uplands Road. Farnham GU9 8BP

E. Income

Interim Audit

The Council has a number of income streams, outside of the precept. These include the following:

- Hall hire - Village Hall / Pavilion and Youth Centre
- Football pitches
- Cemetery fees

I tested a sample of transactions selected from the first six months of the financial year. For all transactions tested, I was able to agree income credited on the accounting system back to bank statement, and to an invoice, and where appropriate, approved cemetery and hire fees. My testing included 1 grant receipt

- £21,894 – CIL – agreed to remittance from WBC.

I reviewed the sales ledger. The sales ledger balance at 7 November stood at £9K. This is all current debt. There is a large unmatched credit balance on the sales ledger, which needs to be matched against debtor balances for a regular hirer. Rialtas should be contacted and the sales ledger tidied.

Final Audit

Precept per box 2 to the accounts was £597,902 (24-25 £539,388). This has been agreed to third party documentation provided by central government.

Income per box 3 to the accounts was £251,348 (24-25 £516,058). I reviewed a small sample of income credits from the final quarter of the financial year. For transactions selected I was able to agree ledger entry back to invoice, and to appropriate supporting documentation. (cemetery fees / communication from SCC).

Sales ledger was checked and found to be in good order.

F. Petty cash

The Council holds a petty cash balance of £250. This was counted on 18 March and reconciled to accounting records – the count has been evidenced as reviewed by 2 councillors.

G. Payroll

Interim and Final Audits

Staff costs per box 4 to the accounts were £299,057 (24-5 £275,760)

I tested the August 25 payroll. 2 staff payments were tested, I agreed payments from cashbook to payslip. From there I agreed gross pay back to pay award letters. There was evidence of signed review by councillors of these payments. I am satisfied staff are being paid approved rates of pay, and that this is being accurately recorded in the cashbook.

☎ 07958 990310

✉ mike@aprilskies.co.uk

Company Registration Number 14174016
6 Uplands Road. Farnham GU9 8BP

The Clerk logged into the Council's HMRC Account and confirmed there were no monies outstanding in respect of tax or NI.

At the year-end audit I confirmed that box 4 on the accounting statements only contained staff salary and payroll costs, as required by regulations.

H. Assets and investments

Final Audit

Fixed assets per box 9 to the accounts were £ 2,791,334 (24-5 £2,721,676).

I have agreed the balance in the accounts back to the asset register. The asset register appears complete and to record assets at cost or proxy cost, as required by regulations, with sufficient detail to locate all assets listed. All changes were approved when the asset register was reviewed at Full Council in January.

Additions of £99K have been recorded on the asset register. A schedule of additions has been provided. I tested one major addition - £48K new tractor, asset register entry agreed to invoice. I can confirm the asset has been correctly added to the asset register at cost.

Deletions of £30K have been processed in 24-25. A schedule of assets disposed of has been supplied.

I am satisfied fixed assets are properly accounted for.

I. Bank reconciliations

Interim Audit

The Council has one current and one investment account. Bank reconciliations are completed weekly by the Clerk, these are then reviewed monthly by a councillor by a Councillor who is not a signatory, and reported to the monthly Council meeting. There is clear evidence that bank reconciliations are being completed promptly.

I reperformed the bank reconciliation for September 2025. I completed the following test:

- Agreed cashbook balances to Omega system (month 6 balance sheet)
- Agreed bank balances to bank statements
- Checked arithmetic in the bank reconciliation
- Confirmed councillor review of the bank reconciliation

Final Audit

Borrowings per box 10 to the accounts were £nil (24-25 £ nil)

Cash per box 8 to the accounts was £483,854 (24-25 £376,690)

I reperformed the year end bank reconciliation. I agreed all balances in the bank reconciliation back to the accounting system reports and to bank statements. The year end bank reconciliation was found to be accurate. Councillor review will be completed at the April meeting.

☎ 07958 990310

✉ mike@aprilskies.co.uk

Company Registration Number 14174016
6 Uplands Road. Farnham GU9 8BP

J. Year-end accounts

Cranleigh PC has produced accounts on an accruals basis, this is required as income / expenditure is above £200k. A reconciliation between Box 7-8 of the accounts has been prepared, for external audit review, and creditor and debtor listings support this reconciliation. An explanation of year-on-year variances has also been prepared and provides detailed explanations for review by external audit.

L: : The Authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements

The Council publishes data required by the Transparency Code on the Finance tab on the Council website. I sample checked the following at the year-end audit:

- I confirmed expenditure data was published to the end of March 26.
- Grant awards made in 25-26 published.

**M: Arrangements for Inspection of Accounts
Interim Audit**

Inspection periods for 24-25 were set as follows

Inspection - Key date	24-25 Actual
Accounts approved at Full Council	15 May Council
Announcement	28 May
Inspection period begins	3 June
Inspection period ends	14 July
Correct length	Yes - 30 days

I can confirm that regulations were followed and that the Council can therefore sign off that it has met control objective 4 on the annual governance statement.

N: Publication requirements 2025 AGAR

Interim Audit

I confirmed that the Council has correctly loaded the audited accounts, annual governance statement and audit certificate for 24-25 on to the Council website. The conclusion of audit certificate has been correctly published, with a date of 30 July, in advance of the 30 September deadline. The Council received a clear audit certificate from the external auditors dated 25 July, so there are no matters to be taken into consideration in 25-26. The audit certificate was reported to Council at the September meeting (minute 12.7).

☎ 07958 990310

✉ mike@aprilskies.co.uk

Company Registration Number 14174016
6 Uplands Road. Farnham GU9 8BP

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

Final Audit

The Council has completed a review of data management practices following the addition of Assertion 10 to the Annual Governance Statement. The Clerk was able to confirm that:

- Council has compliant domain name in place
- Councillors have council email addresses
- The IT policy has recently been reviewed
- An accessibility audit of the Council's website has been completed
- GDPR training has been undertaken
- New password manager software has been purchased

The Clerk also confirmed a minute will accompany the annual governance statement to inform councillors of reason for a positive sign off of Assertion 10.

P. Trusteeship

Interim Audit

The Council is Trustee of The Snoxhall Field - Registered Charity: 1178530.

The 24-25 annual return was submitted to the Charity Commission on 21 July 2025, before the regulatory deadline. A nil return was submitted, the charity exists to own land. A meeting of the Charity was held separate to Council meetings in July 25, approval of the annual return was minuted at this meeting. No independent examination is required for this charity as there is no income or expenditure.

I would like to thank you for your assistance with the audit. I attach my invoice and the Internal Audit Report from the AGAR for your consideration. I look forward to working with you again in 26-27.

Yours sincerely

Mike Platten CPFA

☎ 07958 990310

✉ mike@aprilskies.co.uk

Company Registration Number 14174016
6 Uplands Road. Farnham GU9 8BP

April Skies

Accounting

APPENDIX A Points Forward – Action Plan - Interim Audit

Matter Arising	Recommendation	Council Response
<p>I note that printed bank authorisation was not on file for four payments tested – this is due to technical issues with bank. , I have confirmed councillor signature on invoices, so I am content that payments were authorised in line with financial regulations.</p>	<p>I note that the Council is planning to move to Unity Bank. I support this decision, the audit log is much better with Unity, and this would reduce the amount of work and paper required to record authorisations in the current system</p>	<p>Now actioned, no issues in year end testing</p>
<p>There is a large unmatched credit balance on the sales ledger, which needs to be matched against debtor balances for a regular hirer.</p>	<p>Rialtas should be contacted and the sales ledger tidied</p>	<p>Actioned, but will need to be manually corrected periodically due to way one debtor pays invoices</p>

☎ 07958 990310

✉ mike@aprilskies.co.uk

Company Registration Number 14174016
6 Uplands Road. Farnham GU9 8BP

April Skies

Accounting

Appendix B

Internal Audit Control Objectives – Marked as not covered

Control Objective	Area for Audit	Why this has not been audited
K	Exemption from limited assurance review	Council had limited assurance review in 24-5

☎ 07958 990310

✉ mike@aprilskies.co.uk

Company Registration Number 14174016
6 Uplands Road. Farnham GU9 8BP