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Sarah Skurr
Morville Parish Council

18th June 2026

Dear Sarah

As the Council's appointed Internal Auditor for 2025–26, I have independently examined its financial and governance arrangements against the internal control objectives in the AGAR, relevant proper practices, and the SAPPP Practitioners' Guide 2025. This review, conducted on a test basis, provides assurance that controls are appropriate to the Council's size and activities; responsibility for maintaining sound governance remains with the Council.

Overall, the Council's administration and internal controls were found to be operating to an acceptance standard. Opportunities for improvement are detailed in the accompanying report to support continued compliance and good practice. My role is to assess whether control objectives have been met and to inform completion of the Annual Governance Statements; final approval of governance assertions rests with the Council.

As the Council does not exceed the exemption threshold, it is not subject to external audit this year, and the Responsible Financial Officer has prepared the required AGAR documentation in line with statutory requirements.

I thank the Clerk/Responsible Financial Officer for their cooperation. Ongoing efforts to strengthen financial and governance arrangements contribute positively to the Council's control environment.

I remain available to clarify any aspect of this report to the Clerk/RFO or Members of the Council.

Best wishes

A handwritten signature in black ink, appearing to read "C. Furnival", written in a cursive style.

Mr. C Furnival
Internal Auditor

INTERNAL AUDIT REPORT – DETAILED FINDINGS AND RECOMMENDATIONS

CLIENT: MORVILLE PARISH COUNCIL

AUDITOR: MR. C FURNIVAL

DATE COMPLETED: 18/06/2026

INTERNAL CONTROL OBJECTIVE	TESTS/FINDINGS	RECOMMENDATIONS
<p>A. Appropriate accounting records have been properly kept throughout the financial year.</p>	<p>A sample inspection of invoices was tested and found to correspond with the accounting records of receipts and payments reported on Scribe. No evidence showed that payments were detailed in minutes for transparency.</p> <p>The opening balances of the accounting statements correspond with bank accounting statements and reconciliation and the year end balances also support a correct record of accounting statements.</p>	<p>I would highly recommend that the Council appends monthly bank reconciliation and lists of payments being approved to all minutes where these have been approved by Council. This will improve compliance with this Internal Control Objective and significantly increase transparency.</p>
<p>B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.</p>	<p>On the agenda of the Annual Council Meeting on the 11th May 26 I note that the Council had an item to review its Financial Regulations and Standing Orders, however the minutes of that meeting are not available on the website, nor are the updated Financial Regulations and Standing Orders. Those present on the website are dated May 24. Earlier minutes on 9th March 2026 also showed a review of Standing Orders.</p> <p>A sample test of compliance with these documents showed that: As minutes are not on the website within the required time of SO</p>	<p>Update Financial Regulations and Standing Orders to the new model documents prepared by NALC in 2025 to ensure compliance with national policy.</p> <p>Raise the requirement to obtain 3 quotes for goods to above £100 as this is too low for a Council of this size, I would recommend £250 and ensure</p>

	<p>12.e then compliance with SO's has not been met. As the Council does not append lists of payments to minutes the FR 5.5.2 has not been met. A sample of 4 payments exceeding £100 were inspected and found no evidence of obtaining any more than one price, therefore FR 11.1.h has not been met.</p> <p>I noted through my inspections of the accounts that no VAT claim had been made since 2024. I have seen evidence that an up to date claim up to 31.03.26 has now been made.</p>	<p>quotes are obtained and evidenced in minutes to support this.</p> <p>Avoid Members purchasing goods for the Council from their personal accounts, this does not follow best practice and there are no provisions for this in the FR's. The Council could apply for a debit card for its own bank.</p>
<p>C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</p>	<p>The Clerk noted that the last Risk Management Assessment was done in February 2025. The Councils website shows a RMA from September 2023. Therefore, risk has not been suitably assessed in 2025/26.</p>	<p>The Council must review its Risk Management Assessment at least once a year to review its level of risk vs services it is providing. An annual calendar of governance compliance will be provided to the Clerk/RFO to help.</p>
<p>D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</p>	<p>The Council reviewed and set its budget and precept for 2025/26 on 13th January 2025 (minute no: 25.15). Monthly summary of accounts is presented to Council regularly.</p>	<p>Append quarterly budget reports to minutes where appropriate.</p>
<p>E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</p>	<p>The Council correctly received its precept, bank interest and some one-off receipts for refunds. The Council had not made a VAT claim for 18 months but was correctly recording this.</p>	<p>None.</p>
<p>F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.</p>	<p><i>This Council does not maintain Petty Cash and therefore this is not relevant.</i></p>	<p>N/A</p>
<p>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.</p>	<p>The Council outsources its payroll to a sector recognised payroll service provider. Records inspected showed that the correct PAYE deductions are made, RTI submissions are supported with payroll records.</p>	<p>None.</p>
<p>H. Asset and investments registers were complete and accurate and properly maintained.</p>	<p>The Council paid for the supply and installation of white entrance gates for the parish, however, did not add this to its register of assets and insurance policy.</p>	<p>Add the net value of what has been purchased to the Councils asset register and regularly review the asset register prior to the year end.</p>

<p>I. Periodic bank account reconciliations were properly carried out during the year.</p>	<p>The Council receives regular bank reconciliation at meetings.</p>	<p>Evidence bank reconciliations by appending them to minutes.</p>
<p>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.</p>	<p>The accounting statements were prepared on the correct basis of receipts and payments. The Council uses Scribe accounting software which minimises risk and error, a sample test of reports presented accurate statements being recorded throughout the financial year.</p> <p>The annual return which has been prepared through Scribe has generated the correct year-end figures.</p>	<p>None.</p>
<p>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”)</p>	<p><i>The Council was not exempt during 2024/25 and therefore this is not relevant.</i></p>	<p>N/A</p>
<p>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.</p>	<p>The Council has not been able to comply with the Transparency Code on the basis of publication of: list of payments on its website for items over £100, correct timing of publication of year-end accounts and no fixed asset register is on the website.</p>	<p>Publish all required information as part of the Transparency Code for Smaller Authorities.</p>
<p>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).</p>	<p>The Council correctly published its exercise of public rights notice on 13th May 2025 on its website. The dates of rights were published for between 3rd June 2025 and July 2025.</p>	<p>None.</p>
<p>N. The authority has complied with the publication requirements for 2024/25 AGAR (see AGAR Page 1 Guidance Notes).</p>	<p>The Council did not publish Section 1 Annual Governance Statement and Section 2 Accounting Statements on its website before 1st July 2025. These were published on the website on 9th May 2026.</p>	<p>The Council must publish all of its complete AGAR documents on its website before 1st July 2026.</p>
<p>O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.</p>	<p>The Council does not have an adopted Data Protection Policy, Publication Scheme, Privacy Notice or IT Policy. Agendas are published on the website but as outlined in Internal Control</p>	<p>Adopt Data Protection Policy, Publication Scheme, Privacy Notice and IT Policy.</p>

	Objective B, minutes are not being published on the website within the required timeframe of the Councils Standing Orders.	Ensure minutes are published in draft form on the Councils website within 30 days after the meeting.
P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	<i>This Council does not hold any trust funds and therefore this is not relevant.</i>	N/A

INTERNAL AUDITOR'S OVERALL SUMMARY AND OPINION

Based on the work undertaken during the audit, I found the Council's accounting records and financial transactions to be generally well maintained and acceptable. The Council's accounting arrangements, payroll administration, and financial record-keeping are of a good standard, with these areas benefiting from support and oversight provided by external professional providers.

However, the audit identified a number of weaknesses within the Council's governance and compliance arrangements. Whilst many of the required actions and reviews appear to have been undertaken by the Council during the year, there is frequently insufficient evidence available to demonstrate compliance, particularly through publication on the Council's website and through documented decision-making processes.

The most significant observation arising from this audit is the need for the Council, through the Clerk and members, to establish a more robust annual compliance framework to ensure that statutory and governance requirements are completed, documented, approved and published at the appropriate times throughout the municipal year. Key governance documents, including Standing Orders, Financial Regulations, Risk Assessments and other policies, should be formally reviewed at least annually, approved by the Council and promptly published on the Council's website. Compliance cannot be demonstrated where documentation has not been made publicly available, even where the underlying review has taken place.

The Council should also ensure that transparency requirements are met consistently. Important governance and policy documents should be readily accessible from a central location on the Council's website rather than being dispersed across multiple pages. During the audit, instances were identified where documents had been reviewed and approved by the Council but the final approved versions had not subsequently been published online.

A recurring issue identified both during this audit and in previous years relates to compliance with the Council's own Financial Regulations, particularly in relation to procurement. The Council must ensure that quotations obtained for significant expenditure are properly

documented, considered and approved through the Council's formal decision-making process, with a clear audit trail retained within the minutes and supporting records.

Many of the weaknesses identified could be addressed through improved administrative processes and greater attention to record-keeping and publication requirements. Wherever possible, supporting documents considered by the Council should be referenced, attached or linked to agenda papers and minutes to strengthen transparency and provide a clear audit trail of decisions taken.

The Council should also ensure that routine governance tasks are completed throughout the year, including maintaining an up-to-date asset register following the acquisition of significant assets, undertaking regular reviews of key policies, completing required risk assessments, approving bank reconciliations, reviewing budgets and meeting all publication requirements associated with the Annual Governance and Accountability Return (AGAR).

The recommendations contained within this report should be reviewed carefully and implemented in full. To assist the Council, a compliance calendar for the municipal year will be provided, identifying key governance and statutory tasks together with the appropriate timescales for completion. If the Council adopts a routine and systematic approach to these requirements, it should be well placed to meet all internal control objectives and provide positive responses within its Annual Governance Statement in future years.

In summary, whilst the Council's financial accounting arrangements are generally sound, there remain significant areas for improvement within its governance, compliance, transparency and procedural arrangements. Addressing the recommendations contained within this report will strengthen internal controls, improve transparency and help ensure ongoing compliance with legislative and governance requirements. I would strongly recommend the Council engages in interim audits in August/September with an internal auditor or local council accountant to enable any matters prior to the year-end to be addressed and prepared for, these services I can provide or can recommend professionals who would be suitable for the sector.

THE BELLOW DOES NOT FORM PART OF THE INTERNAL AUDIT REPORT REQUIRED FOR THE ANNUAL GOVERNANCE & ACCOUNTABILITY RETURN (AGAR). BUT IS PROVIDED TO THE PARISH COUNCIL TO INFORM COMPLETION OF THE ANNUAL GOVERNANCE STATEMENTS WITH RECOMMENDATIONS OF HOW THE STATEMENTS SHOULD BE ANSWERED BY COUNCIL; FINAL APPROVAL OF GOVERNANCE ASSERTIONS RESTS WITH THE COUNCIL.

ASSERTION 1: FINANCIAL MANAGEMENT AND PREPARATION OF ACCOUNTING STATEMENTS

EXPECTED CONTROLS/EVIDENCE	AUDITORS CHECKS	RECOMMENDATION
<ul style="list-style-type: none"> ✓ Prepared and approved a budget prior to setting precept and within a timely manner ✓ Have an appointed RFO ✓ Cashbook maintained and up to date with receipts/payments fully recorded and regular bank reconciliations undertaken ✓ Investments managed in accordance with statutory guidance ✓ General Reserves Policy in place or reserves considered ✓ Year-end totals agree to bank reconciliation 	<ul style="list-style-type: none"> ✓ Confirm correct roll forward of the prior year cashbook balances to the new financial year and year-end balances reconcile ✓ Sample transactions traced to records ✓ Verify arithmetic accuracy ✓ Review document retention ✓ Review of Council minutes for accuracy of reporting ✓ Review of RFO appointment/contract confirmation ✓ Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy 	<p>Checks support a positive response.</p>

ASSERTION 2: INTERNAL CONTROL

EXPECTED CONTROLS/EVIDENCE	AUDITORS CHECKS	RECOMMENDATION
<ul style="list-style-type: none"> ✓ Standing Orders and Financial Regulations adopted and adhered to ✓ Payments properly authorised ✓ Debit/credit cards have clear restrictions that align to Financial Regulations ✓ Bank mandates are up to date ✓ Budget monitoring ✓ Risk management and internal controls policy in place ✓ Asset register in place and insured ✓ Loans are affordable and properly approved 	<ul style="list-style-type: none"> ✓ Review of Standing Orders and Financial Regulations ✓ Review authorisation trail ✓ Inspect reconciliation frequency ✓ Test compliance with procedures ✓ Review council oversight evidence ✓ Review asset register and test against purchases where relevant 	<p>Checks support a negative response.</p>

ASSERTION 3: COMPLIANCE WITH LAWS, REGULATIONS AND PROPER PRACTICES

EXPECTED CONTROLS/EVIDENCE	AUDITORS CHECKS	RECOMMENDATION
<ul style="list-style-type: none"> ✓ Evidence of statute powers recorded against all payments ✓ Resolution confirming GPC ✓ Proper tender/procurement process ✓ Section 137 spending monitored ✓ VAT handled correctly ✓ Minutes evidence lawful decisions 	<ul style="list-style-type: none"> ✓ Review procurement samples ✓ Check statutory procedures followed ✓ Confirm VAT treatment ✓ Test spending powers 	Checks support a negative response.

ASSERTION 4: EXERCISE OF PUBLIC RIGHTS

EXPECTED CONTROLS/EVIDENCE	AUDITORS CHECKS	RECOMMENDATION
<ul style="list-style-type: none"> ✓ Notice of public rights issued correctly ✓ Accounts published as required ✓ Transparency compliance 	<ul style="list-style-type: none"> ✓ Verify publication evidence ✓ Confirm statutory timelines met 	Checks support a positive response.

ASSERTION 5: RISK MANAGEMENT

EXPECTED CONTROLS/EVIDENCE	AUDITORS CHECKS	RECOMMENDATION
<ul style="list-style-type: none"> ✓ Annual risk assessment completed ✓ Insurance cover appropriate ✓ Control measures documented 	<ul style="list-style-type: none"> ✓ Review risk register ✓ Confirm insurance adequacy ✓ Evaluate mitigation actions 	Checks support a negative response.

ASSERTION 6: INTERNAL AUDIT

EXPECTED CONTROLS/EVIDENCE	AUDITORS CHECKS	RECOMMENDATION
<ul style="list-style-type: none"> ✓ Independent auditor appointed ✓ Audit plan/routine checks performed ✓ Recommendations acted upon 	<ul style="list-style-type: none"> ✓ Confirm independence ✓ Review prior year follow-up ✓ Assess audit coverage 	Checks support a positive response.

ASSERTION 7: REPORTS FROM AUDITORS

EXPECTED CONTROLS/EVIDENCE	AUDITORS CHECKS	RECOMMENDATION
<ul style="list-style-type: none"> ✓ External/internal audit issues reviewed ✓ Council responses documented ✓ Improvements implemented 	<ul style="list-style-type: none"> ✓ Inspect action tracking ✓ Confirm corrective steps taken 	Checks support a positive response.

ASSERTION 8: SIGNIFICANT EVENTS

EXPECTED CONTROLS/EVIDENCE	AUDITORS CHECKS	RECOMMENDATION
<ul style="list-style-type: none"> ✓ Council awareness of liabilities ✓ Proper disclosure processes 	<ul style="list-style-type: none"> ✓ Review minutes/legal correspondence ✓ Confirm reporting awareness 	Checks support a positive response.

ASSERTION 9: TRUST FUNDS

EXPECTED CONTROLS/EVIDENCE	AUDITORS CHECKS	RECOMMENDATION
<ul style="list-style-type: none"> ✓ Separate accounting ✓ Trustee responsibilities met 	<ul style="list-style-type: none"> ✓ Verify fund segregation ✓ Review reporting compliance 	Not applicable to this Council.

ASSERTION 10: DIGITAL AND DATA COMPLIANCE

EXPECTED CONTROLS/EVIDENCE	AUDITORS CHECKS	RECOMMENDATION
<ul style="list-style-type: none"> ✓ Generic email address (.gov or .org.uk) ✓ A website that meets accessibility guidelines 2.2 AA ✓ Data protection and GDPR policies in place ✓ Compliance with FOIA 2000 ✓ Adopted IT Policy 	<ul style="list-style-type: none"> ✓ Inspection of domains and email management ✓ Website testing and review ✓ Inspection of IT, data protection and publication scheme policies 	Checks support a negative response.