Shefford Town Council (STC)

Internal Audit report for the year ended 31 March 2026

Executive Summary

Internal audit is a key component of the system of internal control. The purpose of internal audit is to review whether the systems of financial and other controls over a Council's activities are operating effectively. Internal audit reviewed the Council's accounting records in respect of the financial year ended 31 March 2026. The Audit findings are summarised in Appendix 1 below.

The Annual Governance & Accountability Return (AGAR) has been prepared, using the Council's Rialtas system. There have been no significant changes in processes at the Council from the previous year.

External audit completed their Annual Audit for 2024/25 and reported the Council had not carried out a formal Risk Assessment. They also had not met the requirements to provide electors with a period of 30 working days to inspect the accounts.

Finance System

The Council uses 'Rialtas' as its accounting software which records all transactions - payments, receipts, petty cash, VAT and the bank reconciliations are undertaken using this system. This has improved the recording of transactions as they are being maintained electronically. In addition, all supporting records have been maintained in a methodical manner and Audit have been able to verify a sample of payments and receipts to supporting documentation.

The Council's transactions are made through Unity Trust Bank and has set up direct debits and made online payments during the year. Bank reconciliations are undertaken on a monthly basis and these were up to date at the date of the Audit.

I would like to thank the Clerk for their co-operation and assistance during the audit.

S L Bains
27 June 2026

Appendix 1

	Test	Findings	Recommendations
A	Appropriate accounting records have been kept properly throughout the year	The accounting records for the financial year from April 2025 to March 2026 has been recorded on the 'Rialtas' accounting system. This has been reviewed by Internal Audit and found all transactions were up to date. Audit tested a sample of Payments from the cash book and agreed them to supporting invoices, and the bank statements. All payments tested as part of the sample were paid via online electronic transfers via the bank. Testing confirmed invoices had been authorised by 2 councillors.	None
B	Council met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for	A payments schedule is prepared each month outlining the payments for approval. Details such as payment reference, supplier, Description, Value (£) & VAT Value (£) is included. The list of payments that were approved in the previous month are attached to the following month's minutes and available on the Council's website. **VAT** The Rialtas system is able to separate out the VAT element of an invoice. VAT is reclaimed on an annual basis.	None
C	Council assessed the significant risks to achieving its objective and reviewed the adequacy of arrangements to manage these	**Risk Assessment:** The Council have not carried out a risk assessment during the 2025/26 financial year. However this is due to be agreed at Full Council on 1st July 2026. **Insurance:** The Council's insurance policy schedule confirms the following levels of insurance cover as appropriate:	None

		• Employer's Liability - £10 million • Public Liability - £10 million • Fidelity – £150k	
D	Precept requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate	**2025/26 Budget** The annual budget for 2025/26 was approved by the Council. Actual spend against budget is monitored on a quarterly basis and a narrative report is produced which highlights reasons for variances. **Precept** The Precept for 2025/26 was £443,559. The first instalment was paid in April 2025 and the second instalment was paid in September 2025 and this has been agreed by Audit to the Cashbook and the bank statements.	None
E	Expected income was fully received, properly recorded and promptly banked	In addition to the annual precept, the Council receives income from: • Room hire • Allotments • Tenancy Rent • Grants **Receipts:** Audit reconciled a sample of receipts from the cashbook and verified it to supporting documentation and reconciled the receipts to the bank. **Allotments** The Allotments register is up to date and includes details of the individual, the Allotment reference, the date the allotment was first occupied, the amount £ that was charged and the date it was paid for.	None
F	Petty cash	The Council transferred the petty cash balance at year end into the bank. Therefore there was a nil balance in the petty cash account at year end.	None

		A payments card is used for the purchase of items up to a maximum limit of £200 per transaction. Only the clerk is authorised to use the payments card. There is also a maximum limit of £500 per month. The total monthly spend is paid via the Unity Trust current account. Supporting information was checked and no issues were identified.	
G	Salaries to employees and allowances to members were in accordance with the Council's approvals	The clerk's salary along with the pension contributions is administered by an Accountancy Firm and 1/12th of the salary is recorded on the cash book on a monthly basis.	None
H	Asset register were complete and accurate and properly accounted maintained	The fixed asset register was reviewed and the total value of fixed assets agreed to the AGAR – Box 9 totalling £896,336	None
I	Periodic and year end bank account reconciliations were properly carried out	Bank Reconciliations are undertaken on a monthly basis using the Rialtas system.	None
J	Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to cashbook, supported by an adequate audit trail from underlying record	The accounting statements have been prepared on a Income & Expenditure basis.	None
K	Other	The Council's website was reviewed. The minutes for the Full Council are available on the Council's website up to March 2026. The previous year's Audited AGAR and the completion notice have been published on the Council's website.	None
L	Assertion 10	The Council has the following policies in place: 1. generic email account hosted on an authority owned domain (clerk:sheffordtowncouncil.gov.uk) together with specific gov.uk email addresses for all councillors and staff. 2. published documentation as required for Transparency. 3. Data Protection Policy and is ICO compliant. 5. Retention of Documents Policy 6. Freedom of Information 7. Data Protection Policy	**R1:** IT policy needs to be reviewed and updated accordingly.

		However the Council did not have an IT policy in place during the 2025/26 financial year.	