

INTERNAL AUDIT REPORT

Cholmondeley and Chorley Parish Council for the financial year ending 31st March 2026

This Internal Audit was undertaken in accordance with the guidance set out in the 2025 edition of the SAPP Practitioners Guide. Cholmondeley and Chorley Parish Council is not an exempt authority.

REVIEW OF ISSUES RAISED IN 2024/25 INTERNAL AUDIT REPORT

The Internal Audit for the financial year ending 31st March 2025 was undertaken by Adam Keppel-Green.

Issues Identified

Ref	Issue	Recommendation	Follow Up
1	Assertion L: Transparency Code	<p>The council did not publish the required documents in line with this requirement.</p> <p>The AGAR was not completed until 9th July 2024, which prevented the publication of the end of year accounts by the statutory timescale. The Internal Audit for 2023/24 was not completed until March 2025.</p> <p>The council should ensure that the complete AGAR is approved by 30th June 2025 and the documents for 2024/25 are published in line with the statutory requirements.</p>	<p>The 2024/25 AGAR was approved by 30th June and published on the council website.</p>
2	Assertion M: Exercise of Public Rights	<p>The Clerk has advised that an initial notice was published on 30th June 2024 with a period concluding 14th August 2024, however, the version available on the council's website is</p>	<p>The notice of public rights for 2024/25 was given as 03/07/2025 – 13/08/2026, this is discussed below.</p>

dated 12th July 2024 and provides a period of 15th July to 23rd August, this is outside the required period which must include the first 10 working days of July.

The minutes of the meeting held 9th July 2024 state that “the council agreed to temporarily remove the initial notice” yet include a post-meeting note that the “notice was revised to reflect the formally approved dates and re-published on the council’s website. The revised notice will set the period for the exercise of public rights in compliance with statutory requirements, with the inspection period ending on August 14, 2024”

The matter is sufficiently unclear to warrant a No in this assertion and I can only make a determination on the notice published on the council’s website which records dates outside the statutory period.

3 Assertion N: As per (1) Publication of AGAR

The 2024/25 AGAR was approved by 30th June and published on the council website.

Other Governance Matters

Ref	Issue	Recommendation	Follow Up
1	The minutes of the council’s annual meeting were not approved until the following annual meeting.	The minutes of the annual meeting should be approved at the next ordinary meeting of the council. There is no reason to separate the annual meeting from the ordinary May meeting, but should the council continue to do so both minutes should be approved at the next meeting.	It is unclear if this has been actioned. The minutes of the May 18 th 2026 meeting record an approval of the minutes of the 2025 annual meeting again. However the June 2025 minutes record that the minutes of meetings (plural) held on 6 th May were approved.

		It is unclear when the minutes were approved as both point to different approval dates. The council should ensure clarity.
2	The council is not recorded as a data controller on the ICO register, there is no evidence of paying the subscription during the audit year.	The council has been registered previously, and the subscription appears to have lapsed. The council processes personal data and as such must ensure it is registered. The Parish Council is registered.
3	The council's standing orders refer to a £25k tender threshold. Financial Regulations refer to a £60k threshold.	The council should ensure the threshold is identical in both policies Resolved.
4	The Local Government Finance Act 1992 specifies how a precept is to be determined, namely that it follows determination of the budget and reserves. In November 2024, the minutes record that the council set a precept before agreeing a budget, reviewing	It is noted that the Clerk reports that the precept followed approval of the other matters the council's minutes do not reflect this sequence. The minutes should clearly demonstrate the council has followed due process. In setting the precept for 2026/27, the council should follow the correct process, and this should be evidenced in the minutes: a) Review staff salaries b) Agree the budget for 2026/27 c) Agree the required reserve levels d) Calculate the arising precept The minutes indicate approval of a budget though the file linked to the website is a forecast not budget for the following year.

	reserves and reviewing pay.		
5	<p>The council has provided a breakdown of its reserves. It reports seven earmarked reserves, and a general reserve of £706. A general reserve is only 22% of its net expenditure which is insufficient; for a small authority a reserve closer to the 75-100% of the precept is recommended.</p>	<p>The council should review its reserves as part of setting the 2026/27 precept.</p> <p>It should ensure it has a general reserve level in line with SAPPP guidance of a small authority having near 12 months expenditure as a general reserve.</p>	<p>The council reviewed reserve levels at its September meeting. It now records a general reserve of £3,500 and a number of earmarked reserves.</p>
6	<p>The submitted AGAR was incorrect. It calculated to a balance carried forward of £7,956. This was due to bank interest not being recorded in Box 3 and payroll expenditure being missed in Box 6.</p>	<p>The AGAR was manually calculated from the council's accounting spreadsheet which led to the errors. I note that this has been an issue in previous years.</p> <p>The AGAR should be corrected before approval.</p> <p>The RFO should review the accounting spreadsheets and consider changes to prevent errors in the future. Alternatively, the council should use an accounting system such as Scribe or Rialtas.</p>	<p>There were no calculation errors for 2025/26 – however some data was recorded in the wrong box (see below)</p>

REVIEW FOR 2025/26

Internal Audit Objective	Findings	Recommendations
A – Accounting Records	<p>The council maintains clear accounts. A sample of transactions was tested and no issues were identified.</p> <p>The draft Accounting Statements record payroll administration as staffing costs (Box 4) and not other payments (Box 6) – this should be corrected.</p>	<p>The council should correct the AGAR to record expenditure in the appropriate boxes.</p>
B – Financial Compliance	<p>The council maintains good records with clear documentation for payments. VAT is properly accounted for.</p>	
C – Risk	<p>The council undertook a risk assessment and maintains a suitable risk register. The council holds an adequate suite of insurance policies at appropriate levels.</p>	
D – Precept and Budget	<p>The papers for the budget meeting do not show that a budget was prepared; there is a document forecasting to year end, but not one that relates to the following financial year.</p> <p>Whilst the budget process seems to have produced a sufficient precept, the council should formally agree a budget for the following year.</p> <p>The council holds suitable reserves.</p>	
E – Income	<p>The council has limited income outside the precept.</p>	
F – Cash payments	<p>No cash payments.</p>	
G – Salaries and PAYE	<p>Evidence provided that the council pays in accordance with PAYE requirements</p>	
H – Asset Register	<p>The council maintains a suitable register. No changes in period.</p>	
I – Bank Reconciliations	<p>Regular reconciliations were undertaken.</p>	

J – Accounting basis	The council maintains its accounts on a receipts and payments basis which is suitable for this size authority.	
K - Exemption	The council met the requirements to certify as exempt, this as approved at a meeting and the appropriate notices were published.	
L – Transparency Code	The council has published all data required to be published by 1 st July 2025.	
M – 2024/25 Public Rights	The notice of public rights for 2024/25 was given as 03/07/2025 – 13/08/2026. The notice must include the first 30 working days of July. The rights period did not do this as it missed 01/07/2025 and 02/07/2025.	The council should ensure it complies with the statutory requirement for public rights.
N – 2024/25 AGAR Publicity	The council has published the AGAR and Internal Auditor reports.	
O – Digital and Data	As of 31 st March, the council did not have the required policies. Draft documents were provided. The council has therefore not complied with this requirement for this financial year. The draft FOI policy is not in line with the required model published by the ICO and this should be addressed. The website does not display an accessibility statement, the relevant webpage is blank.	The council should ensure that suitable policies are adopted during the 2026/27 financial year and that an accessibility statement is published.
P - Charities	Not applicable	

OTHER GOVERNANCE MATTERS

None.