



**Stonehouse PARISH/TOWN COUNCIL**  
**Internal auditor's report for the year ended 31 March 2026**  
**Name of Auditor: Ruth Waller**

**GAPTC internal audits comply with the proper practices outlined in the Governance & Accountability for Smaller Authorities – A Practitioners' Guide and the Accounts and Audit Regulations 2015.**

**The GAPTC internal audit reviews and reports on whether the systems of financial and other internal controls over its activities and operating procedures are effective. The audit tests a variety of documents, including agendas and minutes, policies, insurance and risk management processes, to ensure Council meets the requirements set out in the Annual Internal Audit Report in the Annual Governance & Accountability Return. The internal audit does not involve the detailed inspection of all records and transactions of an authority in order to detect error or fraud.**

**Our auditors are independent of the Council and are competent to be able to carry out the requirements of the internal audit service.**

**NOTE The auditor will complete the Annual Internal Audit Report (AIAR) page on the Annual Governance & Accountability Return (AGAR). The AIAR informs the Annual Governance Statement (AGS) assertions on the AGAR, so when council reviews the AGS, the responses must reflect the AIAR report.**

**1. Governance and Policies**

<b>Ref</b>	<b>Test</b>	<b>Yes, No or N/A</b>	<b>Evidence</b>	<b>Internal Auditor's comments/recommendations</b>	<b>Has Council complied with relevant AGS assertion? Yes/No</b>
<b>1</b>	Have Financial Regulations been a) tailored to	Yes	Published on website <a href="#">Policies &amp; Key Documents</a>		Assertion 1  Yes

	council? b) reviewed using the most recent version? c) minuted? (Objective B)	Yes Yes	<a href="#">  Stonehouse Town Council</a> Minute Number: TC3541		
<b>2</b>	Have Standing Orders been a) tailored to council? b) reviewed using the most recent version? c) minuted?	Yes Yes Yes	Published on website  <a href="#">Policies &amp; Key Documents</a> <a href="#">  Stonehouse Town Council</a>  Minute ref: TC3523	May minutes deferred a decision. Adopted in November 2025. To provide clarity, this should have had a separate agenda item although I appreciate it was a recommendation from a Committee to adopt the SO's.	<b>Assertion 1</b> Yes
<b>3</b>	Code of conduct reviewed in the last 2/3 years?	Yes	<a href="#">Policies &amp; Key Documents</a> <a href="#">  Stonehouse Town Council</a>  Minute ref: TC3541	Policy states it was adopted in December 2025. Recommend adding minute reference numbers on policies and documents	<b>Assertion 3</b> Yes

## 2. Finance and Accounting

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
<b>4</b>	Bank reconciliations are considered by Council? (Objective I)	Yes	Signed copies of bank reconciliations provided		<b>Assertion 2</b> Yes
<b>5</b>	VAT claims have been submitted and	Yes	3 <sup>rd</sup> Quarter VAT return seen		<b>Assertion 1</b> Yes

are up to date  
(objective E)

<b>6</b>	S137 a) is there a separate account for payments? b) are totals within statutory limits? (objective A)	N/A			Assertions 1&3 N/A
<b>7</b>	Is there an annual council authorisation of Direct Debit list and Standing Orders? (Objective B)	Yes	Minute ref: TC3398	Recommend this should be a separate agenda item and minute reference	Assertion 2 Yes
<b>8</b>	Cashbook provided and random sample checked. Give details at Annex A.	Yes		Sample pro-forma provided separately	Assertion 2 Yes
<b>9</b>	Internal controls a) policy in place? b) evidence checks took place as per Council's Fin Regs/Standing Orders (Objective B)	a) Yes b) Yes	Internal Control seen by Auditor.		Assertion 2 Yes
<b>10</b>	Was budget for 25-26 a) prepared? b) adopted by Full Council? c) Were the	a) Yes b) Yes c) Yes d) Yes	Minutes 20 January 2025 Minute ref: TC 3371	d) Transfer amounts from general reserves to earmarked reserves are minuted but there is no explanation minuted as to why the general reserve balance is appropriate.	Assertion 1 Yes

	earmarked reserves identified? d) Were the general reserves reasonable? f) Was precept calculated and approved? (Objective D)	Yes	Minute TC3372 for 2025/26	It would also be helpful to understand why unspent earmarked reserves from the previous year/s are being kept.  Precept was calculated and minuted separately.	
11	Were end of year accounting statements prepared? a)prepared? b)match cashbook? c)supported by report?	a)YES b) Yes c)Yes	Report presented to Council Approved 19 May 2025 Minute Ref: TC3431  Cashbook seen by Auditor		Assertion 6 Yes
12	Did the council periodically compare budget vs spend (as detailed in the FRs)? (Objective D)	Yes	Monthly minutes Budget report provided at each meeting		Assertion 1 Yes
13	Was Petty Cash expenditure a) Approved? b) supported by receipts? c) VAT accounted for? (Objective F)	N/A			Assertion 1 N/A
14	Was Insurance policy reviewed to ensure	Yes	Minute TC3435	Auditor recommends that Council agrees that the cover is appropriate as well as agreeing	Assertion 5 Yes

still fit for purpose?  
(Objective C)

the premium.  
This should be completed in conjunction with  
the asset register

---

*Note Councils have not been asked to submit any information on burials. Auditor to check sample if appropriate.*

### 3. Payroll and Employment

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
15	Do all staff have a NALC contract of employment? Copy seen by auditor? <i>Note to auditor checklist asks for 'clerical'. Use judgement if this is not appropriate</i>	Yes	Sample contract seen, which although not standard NALC contract has the same principles		Assertion 3 Yes
16	Has Council's PAYE / NIC been properly dealt with	Yes	P32 seen by Auditor		Assertion 3 Yes

---

(including year-end procedures)?  
P32 seen (if relevant)?  
(Objective G)

**16a** *Note to auditor. Councils not required to provide evidence but check that Council has met pension obligations*

**Assertion 2**  
Not checked

**4. Transparency and Public Rights**

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
17	Are all sections of the 24/25 AGAR published on the website? (Objective L/N)	Yes	Published on website <a href="#">Accounts &amp; Reports   Stonehouse Town Council</a>		<b>Assertion 3</b> Yes
18	Did council correctly provide for the exercise of public	Yes	Notice published on website <a href="#">Exercise-of-Public-Rights.pdf</a>		<b>Assertion 4</b> Yes

rights?  
(Objective M)

<b>19</b>	24/25 internal (and if relevant external) audit report/s reviewed by council and action taken where recommended? If relevant is exemption from external audit form on web site and correctly minuted?	Yes	Report published on website  <a href="#">Accounts &amp; Reports   Stonehouse Town Council</a>  TC3430 notes report but there is no action relating to recommendation on internal controls	<b>Assertion 7</b> Yes
-----------	---	-----	---	---------------------------

## 5. Digital and Data Compliance, IT Controls and Data Management

<b>20</b>	Does the Council use a Gov.uk Domain and email addresses? The Council uses at least one generic email address hosted on a council-owned domain e.g clerk@abc.parishcouncil.gov.uk	Yes		<b>Assertion 10</b> Yes
-----------	--	-----	--	----------------------------

- Yes
- No

**Note:** There is no legal requirement for this to be a .gov.uk address yet, though that is recommended as best practice, a .org.uk address is also acceptable. It's the .co.uk, and .com addresses that are not acceptable

The Council's website meets the Public Sector Bodies (Website and Mobile Applications) Accessibility Regulations 2018 Rights and the Web Content Accessibility Guidelines (WCAG) 2.2 AA

- Yes
- Partially      Partially
- No

Provision of a link to Council published      yes  
 Accessibility Statement and Publication Scheme

**20a** The council has      Yes

[STC-IT-Policy-March-](#)

Assertion 10

adopted a formal IT Policy covering secure and lawful use of IT systems and Data Protection Policy

[2026.pdf](#)

Yes

**Note to Auditor:** N/a

Assertion 10

*If no to any of above, can Council show they are aware of their responsibilities and are working towards complying with Assertion 10 requirements in full? (See IA (Jan. 26) Associated Briefing Notes)*

**5. Additional information – if relevant**

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
21	Has the General Power of Competence been adopted?	Yes	Minutes TC3428	Qualified Clerk and adequate number of Elected Cllrs	Assertion 3 Yes
22	Have assets a) been inspected for risk? b) any actions	a) Yes	Samples of weekly inspection forms and tree survey reports		Assertion 5 Yes

	undertaken and recorded? (Objective C)	b)Yes	Issues reported to Council and appropriate action taken	
<b>23</b>	Is asset register a) reviewed regularly? (Objective H) b) published on website? (Objective L)	a) Yes  b)Yes	annually  <a href="https://stonehousetowncouncil.gov.uk/wp-content/uploads/2026/03/DOC120326-12032026163231.pdf">https://stonehousetowncouncil.gov.uk/wp-content/uploads/2026/03/DOC120326-12032026163231.pdf</a>	<b>Assertion 5</b> Yes
<b>24</b>	Risk Management policy a) adopted? b) reviewed annually by Council? (Objective C)	a) Yes  b) Yes	<a href="#">STC-Risk-Management-Policy-Dec-2025.pdf</a>  Due for review on Dec 26	<b>Assertion 5</b> Yes
<b>25</b>	Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations?	Yes	Three quotes obtained where required.	<b>Assertion 2</b> Yes
<b>26</b>	Is the Council a Managing Trustee? a)charity name b)charity number c) Copy of 24/25 AGM minutes seen (Objective O)	a) Yes b) 301622 c) Yes		<b>Assertion 9</b> Yes