



Frodsham Town Council

Internal Audit 2025/26

Year-end Report

The internal audit of Frodsham Town Council is carried out by undertaking the following tests as specified in the AGAR Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements

The interim internal audit provides evidence to support the annual internal audit conclusion in the AGAR Annual Return for larger councils.

Conclusion

On the basis of the internal audit work carried out, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the issues reported in the action plan overleaf.

As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

JDH Business Services Limited

**FRODSHAM TOWN COUNCIL 2025/26
INTERIM INTERNAL AUDIT**

ACTION PLAN

| | ISSUE | RECOMMENDATION | FOLLOW UP |
|---|---|--|---|
| 1 | <p>Accessibility</p> <p>The Council website states it is partially conformant with WCAG 2.0 level AA.</p> <p>The Practitioners Guide states: ‘All websites must meet the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 (where applicable).’</p> <p>Accessibility Regulations were incremented to WCAG 2.2 AA in October 2024.</p> | <p><i>The council needs to ensure the Accessibility Statement is updated and that the website is compliant with the Web Content Accessibility Guidelines 2.2 AA.</i></p> | <p>The Town Clerk contacted the website provider on 18/05/2026 and requested advice on how to comply the the Web Content Accessibility Guidelines 2.2 AA.</p> <p>The advice received will be actioned.</p> |
| 2025/26 interim internal audit recommendations | | | |
| 1 | <p>In testing a sample of payments. we didn’t see evidence of two signature authorisation before the following payment was made:</p> <ul style="list-style-type: none"> • 12/06/2025 CCTV SLA £6,000 | <p><i>Evidence should be retained showing which members approved online payments as required by the financial regulations.</i></p> | <p>The Clerk has informed us that two signatures weren’t obtained as it is covered by an agreed annual payment.</p> <p>We recommend in future that the amount of the agreement is recorded in the minutes on an annual basis if this is the case.</p> |

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| 2 | In November 2025 a duplicate payment was made in respect of the internal audit invoice amounting to £518.40. This was repaid to the council. | <i>Internal controls should be in place to prevent duplicate payments.</i> | Internal controls have now been implemented to identify any duplicate payments. |
| 3 | Compliance with data protection laws is a new category (Assertion 10) within the Annual Governance Statement for 2025/26. | <i>The council needs to ensure that all the systems, procedures, and policies to demonstrate compliance with data protection laws as required by the new Assertion 10 are in place.</i> | The Town Clerk has confirmed that all systems, procedures, and policies to demonstrate compliance with data protection laws as required by the new Assertion 10 are in place. |
| 2024/25 year-end internal audit recommendations | | | |
| 1 | We could not locate the following information that The Local Government Transparency Code 2015 requires is published on the Council website: <i>Details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000.</i> | <i>The council should ensure the website complies fully with the publication requirements of the Local Authority Transparency Code 2015.</i> | Implemented |
| 2024/25 interim internal audit recommendations | | | |
| 1 | Budgetary Control: | <i>The council should ensure that appropriate internal controls over</i> | Implemented |

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| <p>The newly adopted Financial Regulations do not contain any controls over budget virements or budgetary control reporting as currently the new FRs state only the following:</p> <p><i>4.10. The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned.</i></p> <p>The previous model Financial Regulations contained both detailed controls for virement authorisations and budgetary control reporting as follows:</p> <p><i>4.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council, or duly delegated committee. During the budget year and with the approval of council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').</i></p> <p><i>4.8. The RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual</i></p> | <p><i>virements and budgetary control reporting are incorporated into the adopted Financial Regulations.</i></p> | |

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| | <i>expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose “material” shall be in excess of £100 or 15% of the budget.</i> | | |
| 2 | The Accounts and Audit Regulations require the council to conduct a financial year review of the effectiveness of the system of internal control. Although there are internal controls in place as evidenced by the Financial Regulations and member checks, the council has not conducted an annual review of the effectiveness of internal controls and documented this in the minutes. | <i>The council should conduct an annual review of the effectiveness of the system of internal controls and document this review in the minutes.</i> | Implemented |