



Janet Bailey
 Town Clerk
 Arlesey Town Council
 Arlesey Community Centre
 High Street
 Arlesey
 Bedfordshire
 SG15 6SN

11th January 2026

Dear Janet,

Interim Internal Audit Report

An audit was carried out by Kevin Rose on Wednesday 7 January 2026. This was the interim internal audit, part of the annual internal audit coverage of the Council. Prior to the audit a 'Pre-Audit' was carried out remotely which tested items which are required to be published on the Council's website.

The audit was undertaken using the standard IAC Audit Checklist, that we use for all Local Councils, which has 205 items. A total of 91 items were tested during this audit, including items that were examined and tested as part of the pre-audit process. A balance of 114 items remain to be tested.

The following 'Internal Control Objectives' of the Annual Internal Audit Report (part of the AGAR) were checked and confirmed as being Not Applicable to your Council for this financial year.

- Petty cash (Box F)
- Exemption from External Audit (Box K)
- the Transparency Code (for Smaller Authorities) (Box L)
- Trust Funds (Box O)

Areas subject to audit were;

- the Accounting system and records (Box A)
- the Payment system (Box B)
- Risk and insurance (Box C)
- Budget and precept setting and monitoring (Box D)
- Income billing, collection and VAT (Box E)
- Bank reconciliations (Box I)
- Accounting Statements (Box J)

Of the 84 applicable items tested a Positive response was obtained in respect of 82 tests. There were 2 Negative responses identified and 3 Observations were made, details of which are set out in the attached Interim Internal Audit Observations.

Summary of tests undertaken during this audit

Positive response	82
Negative response	2
Not Applicable to your Council	7
Total tests carried out	91

I am pleased to advise that no 'Non-Compliances' were identified at this stage that would give rise to a negative response on the statutory Annual Internal Audit Report.

I would like to express my thanks for the assistance and hospitality provided to me during my audit.

Yours sincerely,

A handwritten signature in dark ink, appearing to read 'Kevin Rose', is written over a dark, textured rectangular area that looks like a stamp or a piece of tape.

Kevin Rose ACMA
Director

Arlesey Town Council Financial Year 2025-26

Visit 1 Internal Audit Observations



IAC Audit and Consultancy Ltd

Audit date: 7 June 2026

Date considered by Council 20/01/2025

Minute Reference 25/139-7

C This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The council has reviewed its insurance requirements	No	The Council is in a three year for agreement for insurance which started in 2024. It is not clear that it was reviewed in 2025.	The Council to ensure that it formally reviews its insurance coverage on an annual basis.	Medium	

D The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	When preparing the budget, and subsequent precept demand, did the Council specifically consider the level of its General Reserve and whether the level of the General Reserve was adequate and not excessive?	No	It is not clear from Council Minutes that the Council formally considered the level of its General Reserve when setting the budget and precept for 2025/26. It is understood that this was advised to Councillors but is not recorded in Minutes.	When setting the budget the Council should specifically consider the level of its General Reserve. The Council should set the level of its General Reserve in line with the guidance set out in the Practitioner's Guide paragraphs 5.33 - 5.35 (in particular paragraph 5.35).	High	COUNCIL CONSIDERED AS PART OF THE BUDGET FORMS PRESENTED SHOWING 3 MONTH & 6 MONTH FIGURES WITH GENERAL RESERVE PROJECTION HOWEVER NO NOTE WAS MENTIONED IN MINUTES TO DRAW ATTENTION TO THIS ACTION.

E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Is there an appropriately approved schedule of fees and charges which is published on the Councils website?	Yes	The Council has published fees for the cemetery and allotments, but not for the MUGA.	The Council to review the publication of fees and charges and ensure that all fees are published on the Councils website.	High	A DROP DOWN MENU FOR MUGA HAS BEEN CREATED AND FEES ATTACHED.

Interim audit summary Arlesey Town Council

(shaded Internal Control Objectives are not applicable to your Council)



Audit 1 Date 7 June 2026

Internal Control Objective		N/A	Tested	Positive	Negative	Observations	Non Compliance
Box A	Appropriate accounting records have been properly kept throughout the financial year.	-	5	5	-	-	
Box B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	3	28	25	-	-	
Box C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	2	10	7	1	1	
Box D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	2	16	13	1	1	
Box E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	-	10	10	-	1	
Box F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	-	-	-	-	-	
Box 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.	-	-	-	-	-	
Box H	Asset and investments registers were complete and accurate and properly maintained.	-	-	-	-	-	
Box I	Periodic bank account reconciliations were properly carried out during the year.	-	7	7	-	-	
Box 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.	-	2	2	-	-	
Box 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")	-	-	-	-	-	
Box 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.	-	1	1	-	-	
Box M	The authority, during the previous year (2024/25) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	-	5	5	-	-	
Box N	The authority has complied with the publication requirements for 2024/25 AGAR (see AGAR Page 1 Guidance Notes).	-	7	7	-	-	
Box O	(For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee	-	-	-	-	-	
Totals		7	91	82	2	3	-

