

Scottow Parish Council – Internal Audit 2026

Internal Audit Observations & Recommendations

Risk Management & Internal Controls

During the course of the internal audit review, the Council was able to provide Financial Regulations, Standing Orders and a number of governance policies including GDPR and Privacy documentation. The Council also provides regular budget monitoring reports and maintains supporting accounting records and meeting minutes.

Whilst the Council has established internal control procedures in place, it is recommended that internal risk controls are periodically stress tested and formally reviewed to ensure they remain effective and proportionate to the activities of the authority.

This review should include consideration of:

- segregation of duties where applicable;
- banking and payment authorisation controls;
- cyber security and password protection;
- backup and recovery procedures;
- A formal annual review of internal controls and risk management arrangements should continue to be evidenced within Council minutes.

AGAR Exemption Status – 2024/25

During review of the prior year Annual Governance & Accountability Return (AGAR), it was identified that the Council incorrectly certified itself as exempt from limited assurance review for the financial year ended 31 March 2025.

The Council exceeded the statutory exemption threshold during 2024/25 and therefore did not qualify to submit a Certificate of Exemption for that year. This matter was subsequently identified by the external auditor and a limited assurance review was required.

Although the Council's turnover/expenditure may fall below the £25,000 threshold during 2025/26, the external audit process for 2024/25 remains applicable due to the incorrect exemption declaration submitted for the previous financial year.

The Council should ensure that exemption eligibility is reviewed carefully each year against the applicable AGAR criteria prior to submission of any future Certificate of Exemption.



Richard Wilson

Internal Auditor

RW Accountancy Solutions Ltd