Merton Parish Council
Internal Audit
Final Report 2025/2026

Annual Return Section	Process	Findings	Recommendations and actions
A	Bookkeeping Arrangements	Appropriate books of accounts have been kept properly throughout the year and are well maintained with audit trails.	No further recommendations.
B	Council's Financial Regulations have been met with regard to expenditure	The Council's Financial Regulations have been reviewed during 2025/2026 and appropriate authorisations have been given for each level of expenditure. Payments were supported by invoices, and expenditure was approved and VAT appropriately accounted for.	The Financial Regulations be published on the Council's website.
B	Council's Standing Orders have been reviewed and updated (if necessary)	Standing Orders have been reviewed during 2025/2026.	The Standing Orders be published on the Council's website.
C	Review of Internal Controls	The Council does have adequate provision.	The Council to consider an accounts package, such as Scribe, for the Receipts and Payments and producing end of year accounts etc, which will assist the Clerk greatly in their role. The Council could consider providing the Clerk with a debit card for small purchases, with an approved limit.
C	Review of Risk	During 2025/2026, the Council has	The Risk Register should be published on the Council's website.

Annual Return Section	Process	Findings	Recommendations and actions
	Assessment	assessed the significant risks to achieving its objectives using their Risk Assessment.	
D	Budgetary Controls (Precept requirement)	The annual Precept requirement resulted from a budgetary process.	Although the 2025/2026 budget was approved by the Council, the anticipated receipts and payments were not minuted.
D	Budgetary Controls (Budget monitoring)	Progress against the budget was monitored and minuted regularly.	No further recommendations.
D	Reserves were appropriate	The Council has a Reserves Policy.	Reserves for elections should be included and ear-marked by the Council. The Policy be loaded onto the Council's website.
D	The final outturn is in line with expectations	The final outturn was materially in line with expectations.	No further recommendations.
D	Grants (Section 137)	Grants are awarded under Section 137 and a policy has been adopted.	No further recommendations.
E	Income controls	Expected income was fully received and properly recorded.	No further recommendations.
E	VAT	VAT had been appropriately accounted for.	No further recommendations.
E	Allotments	There is a register of allotment tenants and their payments. Rents	Allotment rents should be reviewed annually. An on-line system for allotment management such as Scribe, could be

Annual Return Section	Process	Findings	Recommendations and actions
		have not been reviewed during 2025/2026.	investigated.
E	Burials	The Council does not manage a Cemetery.	No further recommendations.
E	Halls	The Council manages a Hall and correctly records bookings, however hire fees have not been reviewed during 2025/2026.	Hall hire fees should be reviewed annually.
F	Petty cash controls	Petty cash is operated by the Council and a cash handling policy has been adopted.	No further recommendations.
G	Payroll controls	Salaries to employees were paid in accordance with Council approvals.	The Council considers employing a payroll company to run the monthly payroll to remove the responsibility for the Clerk.
H	Asset Controls - all material assets correctly recorded	The Asset Register has been reviewed during 2025/2026 and the Register published on the website is dated as at 31 March 2025.	The updated Asset Register be published on the Council's website.
H	Asset Controls - all additions and removals correctly recorded	Items have been added but not removed this financial year.	No further recommendations.
H	Asset Controls - all Deeds and Titles established and shown	Deeds and Titles are shown in an appendix to the Assets Register.	The Council could consider including photographs of all assets in the Assets Register.

Annual Return Section	Process	Findings	Recommendations and actions
	on register.		
H	Investment Registers	The Parish Council does not have an Investments Policy.	No further recommendations as bank balances are under £100,000.
I	Bank Reconciliations	Quarterly and year-end reconciliations were properly carried out.	No further recommendations.
J	Accounting Statements	The Accounting Statements prepared during the year were prepared on the correct accounting basis and were supported by an adequate audit trail.	No further recommendations.
K	Limited Assurance Review Exemption	The Council does not meet the exemption criteria.	No further recommendations.
L	Information published on website	The information is available.	No further recommendations.
M	Exercise of Public Rights	The Parish Council published the exercise of public rights notice on the website and noticeboard with the following dates: 1 July to 7 August 2025.	No further recommendations.

Merton Parish Council
Internal Audit
Final Report 2025/2026

Annual Return Section	Process	Findings	Recommendations and actions
N	AGAR publication Requirements	The Parish Council has complied with the publication requirements for the 2024/2025 AGAR.	No further recommendations.
O	Digital and Data Compliance	The Council has complied with the laws, regulations and proper practices relating to digital and data compliance.	No further recommendations.
P	Trust funds (If applicable) – the Council met its responsibilities as a trustee	The Parish Council does not operate as a trustee.	No further recommendations.

Merton Parish Council
Internal Audit
Final Report 2025/2026

Transparency Compliance 2024/2025

Process	Criteria	Findings	Recommendations and actions
Review of Internal audit action plan has been considered and actioned?	Good Practice	The Internal Audit for 2024/2025 has been reviewed and actioned.	No further recommendations.
Statements of Accounts (accounts for year ending 31 March 2025) agreed and reconciled to the Annual Return (Section 2 Accounting Statements)	Section 2 of the Annual Return is complete and accurate and reconciles to the Statement of Accounts.	Statement of Accounts (Accounts for year ending 31 March 2025) not published on website, unable to reconcile.	Publish the Statements of Accounts (Accounts for year ending 31 March 2025) on Parish Council's website.
Compliance with the Transparency Code	**Whilst the Parish does not fall into the criteria for Councils below the £25k threshold, it is good practice to conform to the criteria and publish the items below.**		
Compliance with the Transparency Code	1) Expenditure over £100 is recorded on the Council website and with all information requirements	Available in the minutes.	No further recommendations.
Compliance with the Transparency Code	2) Annual Return published on the website	Available on the website.	No further recommendations.
Compliance with the Transparency Code	3) Explanation of significant variances	Available on the website.	No further recommendations.
Compliance with the Transparency Code	4) Explanation of difference between Box 7 & 8 if applicable	Available on the website.	No further recommendations.
Compliance with the Transparency Code	5) Annual Governance Statement recorded	Available on the website.	No further recommendations.

Process	Criteria	Findings	Recommendations and actions
Compliance with the Transparency Code	6) Internal Audit Report Published	Available on the website.	No further recommendations.
Compliance with the Transparency Code	7) A List of Councillors' responsibilities	Available on the website.	No further recommendations.
Compliance with the Transparency Code	8) Details of Public Land and Building Assets	Available on the website.	No further recommendations.
Compliance with the Transparency Code	9) Minutes & Agenda	Available on the website.	No further recommendations.
Compliance with the Transparency Code	10) Notice of Exercise of Public Rights	Available on the website.	No further recommendations.
Compliance with the Transparency Code	11) Bank Reconciliation as at 31 March 2025	Available on the website.	No further recommendations.
Compliance with the Transparency Code	12) Notice of the Conclusion of the Audit for 2024/2025	Available on the website.	No further recommendations.
Compliance with the Transparency Code	13) Certificate of Exemption	N/A	N/A
Compliance with the Transparency Code	14) External Auditor's Report	Available on the website.	No further recommendations.

Further Recommendations

Process	Criteria	Findings	Recommendations and actions
Code of Conduct	Adoption of the Code of Conduct	The Code has not been adopted since 2023.	The Code of Conduct be adopted annually.
Training	Regular training for Councillors and the Clerk	Clerk has attended training, but Councillors have not.	The Clerk be supported in any training which they require. Councillors should also attend any relevant training offered by OALC.
Staffing	Appointment of a Staffing Committee to complete annual staff appraisals.	Clerk does not currently have an annual appraisal.	I recommend that the Clerk has an annual appraisal and that a Staffing Committee is established to undertake this process. Details of the Terms of Reference for a Staffing Committee are available from OALC.
Excluding public and press from Parish Council meetings	Excluding the public and press from a Parish Council meeting with a clear explanation.	The public and press are not excluded when staffing matters are discussed, such as contractual issues and the Clerk's salary. These matters should not be discussed by the Council in the public part of the Parish Council meeting. The agenda and minutes should state the reasons why the public and press are being excluded from the meeting.	Example agenda wording: **Exclusion of the Public and Press** To consider passing a resolution in accordance with the Public Bodies (Admission to Meetings) Act 1960, that the public and press be excluded from the meeting for items numbered 15 & 16 on the grounds that it could involve the likely disclosure of private and confidential information.

Process	Criteria	Findings	Recommendations and actions
		Even if public and press are not present, the resolution should still be passed by the Council.	Example minutes wording: **Exclusion of the Public and Press** **Resolved** that in accordance with the Public Bodies (Admission to Meetings) Act 1960, the public and press be excluded from the meeting for the minutes numbered 109/24 & 110/24 on the grounds that it could involve the likely disclosure of private and confidential information which was not in the public domain. The resolution should be proposed, seconded and receive a majority vote, before the public and press are asked to leave.

Merton Parish Council
Internal Audit
Final Report 2025/2026

Digital and Data Compliance

Process	Criteria	Findings	Recommendations and actions
Email Management (Assertion 10)	Every authority must have a generic email account hosted on an authority-owned domain	The Council has an authority owned domain which is .co.uk The Clerk and Councillors have @mertonparishcouncil.co.uk email addresses A gmail account is also advertised on the Council's website.	No further recommendations however, it is best practice for Council's to own their .gov.uk domain name and all Councillors and the Clerk, have a .gov.uk email address.
Website Accessibility Compliance (Assertion 10)	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).	The new website does conform to the Accessibility Guidelines and an Accessibility Statement has been published.	No further recommendations.

IT Policy (Assertion 10)	All smaller authorities (excluding parish meetings) must also have an IT policy. This explains how everyone – clerks, members and other staff – should conduct authority business in a secure and legal way when using IT equipment and software. This relates to the use of authority-owned and personal equipment.	The Council has adopted an IT Policy.	No further recommendations.
Freedom of Information and Data Protection (Assertion 10)	Appropriate policies in place	The Council has adopted a Data Protection Policy, a Freedom of Information Policy and Publication Scheme, Privacy Notice, Communication Policy and a Document Retention Policy.	Council to also consider additional polices including Privacy Notice for Staff and Councillors, Subject Access Request (SAR) Procedure, Data Breach Policy and Data Roadmap. If the Council received a SAR, or there was a data breach, it would be helpful to the Council to have a procedure in place to address the issues. Policies be published on the Council's website.

Theresa Goss
Internal Auditor
8 June 2026