

**Hungerford Town Council
Financial Year 2025-26**

Year End Internal Audit Observations

Date considered by Council ____ 1/6/26

Minute Reference _____



IAC Audit and Consultancy Ltd

Audit date: 14 May 2026

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	The Council has reviewed any points raised by the Internal Auditor as required	No	<i>It was noted that the Council had considered the Annual Governance Statement for 2025/26 prior to the receipt of the Annual Internal Audit Report. The External Audit requires that the Council has received the Internal Auditors report prior to considering Assertion 6 of the Annual Governance Statement.</i>	The Council to ensure that it receives and considers the Annual Internal Audit Report prior to the approval of the Annual Governance Statement.	High	The amended AGAR will be considered at the June 2026 Full Council meeting. The AGAR Statement will in future be considered by FC after the internal auditor report has been received.
2	Council has reviewed independence of the Internal Auditor	No	<i>It was noted that the Council has not formally considered the independence of the Internal Auditor as set out in the Practitioner's Guide paragraph 4.11</i>	The Council to ensure that , on an annual basis, it formally considers the independence of the Internal Auditor. It may be appropriate for this to be done at the same time as the Council considers the Annual Internal Audit Report.	Medium	The independence of the Internal Auditor will be reviewed at the June 2026 Full Council meeting.

I Periodic bank account reconciliations were properly carried out during the year.

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Cash floats & balances are supported with cashier's certificate (Year End)	No	<i>It was noted cash bookings deposits held totalling £330 were not recorded as at 31st March 2026. These were recorded by the RFO during the audit visit. This will require an amendment to the Annual Accounting Statements.</i>	Council to review and approve amended Accounting Statements.	High	The Annual Accounting Statements will be reviewed at the June 2026 Full Council meeting.

2	There are no unexplained balancing entries in any reconciliation (Year End)	No	<i>It was noted that the year-end bank reconciliation did not include the £2,806.69 bank transfer (see Observation in Internal Control Objective J).</i>	Council to review and approve amended Accounting Statements.	High	The Annual Accounting Statements will be reviewed at the June 2026 Full Council meeting.
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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.*

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Audit Extended Trial Balance agrees to draft Accounting Statements	Yes	<i>It was noted that there was a difference on Box 8 as an uncleared bank transfer of £2,806.69 between Council bank accounts had been recorded as a debtor balance rather than as part of cash and bank balance. As a consequence the Box 8 value has been understated by this amount.</i> <i>This was amended by the RFO during the audit visit.</i>	Council to review and approve amended Accounting Statements.	High	The Annual Accounting Statements will be reviewed at the June 2026 Full Council meeting.