



Guy Langton  
Town Clerk  
Northam Town Council  
Town Hall  
Windmill Lane  
Northam  
EX39 1BY

22nd June 2026

Dear Guy,

### **Year End Internal Audit Report**

An audit was carried out by Kevin Rose on Wednesday 17 June 2026. This was the Year End audit following on from the interim audit carried out on 2 October 2025.

The audit was undertaken using the standard IAC Audit Checklist, which we use for all Local Councils, which has 210 items. A total of 107 items were tested during this audit in addition to the 103 items tested and checked during the interim audit process. All items on the checklists were tested during the year.

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.

*-Exemption from External Audit (Box K)*

*(Please refer to the explanation of my 'Not Covered' responses on Page 3)*

#### **Areas subject to audit were;**

- 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)
- Payroll(Box G)
- Assets and investments (Box H)
- Bank reconciliations (Box I)
- Accounting Statements (Box J)
- Exemption from External Audit (Box K)
- the Transparency Code (for Smaller Authorities) (Box L)
- the Publication of the Annual Governance and Accountability Return (Box N)
- compliance with digital and data legislation (Box O)
- Trust Funds (Box P)

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**Summary of tests undertaken during this audit**

Positive response	74
Negative response	4
Not Applicable to your Council	29
Total tests carried out	<b><u>107</u></b>

Of the 78 applicable items tested a Positive response was obtained in respect of 74 tests. There were 4 Negative responses identified and 5 Observations were made, details of which are set out in the attached Year End Internal Audit Observations.

**Summary of tests undertaken for the financial year (including interim audit work)**

Positive response	159
Negative response	15
Not Applicable to your Council	36
Total tests carried out	<b><u>210</u></b>
Tests not carried out	Nil

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

Based on the audit testing carried out I am satisfied that the Council's internal controls were effective for the 2025/26 financial year.

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

Yours sincerely,



Kevin Rose ACMA  
Director

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## Internal Audit 'Not Covered' Responses

Internal Control Objective	Reason for Not Covered Response
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")	The reason for the "Not Covered" response for Objective K is that it is not applicable to your Council as the Council did not certify itself exempt from a limited assurance review for the relevant financial year.