

COMMITTEE REPORT

Subject:	<i>Internal Auditor's report dated June 2026</i>
Committee:	<i>The Finance Committee</i>
Item Number:	<i>12</i>
Date:	<i>22 June 2026</i>
Author:	<i>Steve Bishop, Responsible Finance Officer (RFO)</i>
Report status:	<i>Review</i>
Confidential / Exempt:	<i>No</i>

1. Report Summary

- 1.1. In accordance with the Accounts and Audit Regulations and good practice, the Council has appointed an independent internal auditor to assess the adequacy and effectiveness of the Council's accounting and internal controls. This report asks the Committee to consider the findings of the auditor as set out in his latest report in **Appendix A**.
- 1.2. Financial Regulations require councillors to consider every audit report. In the past the reports were submitted to Full Council, but due to its full agenda, the Council was not always able to devote sufficient time to the audit reports. At its meeting on 10 November 2025 Full Council resolved that the Finance Committee should formally consider all audit reports, with any observations being referred by the Committee to Full Council (minute 17.2 refers).
- 1.3. It is heartening to read the auditor's positive executive summary (pages 1 – 2). The auditor found that the Council is a model of good practice and that our accounting records are neatly maintained and easily accessible. The auditor was content that the accounts are accurate, we met all 15 relevant control objectives and that all Annual Governance Statement assertions can be ticked as affirmative.
- 1.4. There are three recommendations for improvement (page 19) to draw to the Committee's attention.

2. Recommendation

It is recommended that the Committee:

- 2.1 Reviews the internal audit report appended to this report, questions the RFO on any matters arising and refers any observations to Full Council when it considers the report and the internal control environment at its meeting on 29 June 2026.

3. Implications

Implication Area	Impact	Comments / Mitigation
Financial	Medium	The internal auditor is an independent expert who checks and assesses the adequacy of the Council's internal controls. His role mitigates the risks of officer error and irregularity.

4. Appendices / Background Papers

4.1 Appendix A – internal audit report dated June 2026.



Mr Steve Bishop
Salisbury City Council
The Guildhall
Market Place
Salisbury
Wiltshire, SP1 1JH

5th June 2026

Dear Steve,

Re: Salisbury City Council
Internal Audit Report for Financial Year Ended 31 March 2026

Executive summary

Following completion of our final internal audit on 3rd June 2026 we are pleased to enclose our report for your review and presentation to the council. The audit was conducted in accordance with current professional standards and guidelines, employing a risk-based approach to our testing. While not all transactions were examined, our sample testing, where appropriate, covered the full financial year.

Some assertions, as noted in this report, were tested at the interim internal audits completed on the 9th September 2025 & 27th January 2026 the council should review all internal audit reports for the year before completing the Annual Governance Statement.

The structure of this report aligns with the assertions set out in the Annual Internal Auditor Report section of the published Annual Governance and Accountability Return (AGAR). Each section begins with a summary of the assertion being assessed, followed by details of the testing undertaken, which was guided by the audit plan previously shared with the council. A copy of the audit plan is available upon request. The report concludes with our opinion on whether each assertion has been met as of the date of the audit. **Any recommendations for action are highlighted in bold and summarised in the table at the end of the report.**

Our testing did not identify any procedural errors requiring reporting to the external auditor at this time, nor did we observe any material weaknesses in internal controls that would pose a risk to public funds.

We are pleased to report that overall, the systems and procedures currently in place are appropriate and effective. While this report may include recommendations for improvement, these should not be viewed as indicators of any kind of system error. Rather, they are intended to support the continued development of what is, in our view, a well-managed and robust governance framework and is indeed a model of good practice.

I have completed the Annual Internal Audit Report page of the AGAR and provided this to the council for onward submission to the External Auditor.

Regulation

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. In addition to this, a smaller authority is required by Regulation 5(1) of the Accounts and Audit Regulations 2015 to “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

Internal auditing is an independent, objective assurance activity designed to improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The primary purpose of internal audit is to assess and report to the authority on the effectiveness of its financial systems and other internal controls, including the operational procedures that support its activities.

The internal audit function involves testing and evaluating whether the authority’s internal control framework is both adequate and functioning effectively. Internal audit reports should be made available to all Members, providing a basis for informed decision making when considering the authority’s approval of the Annual Governance Statement.

Independence and competence

Your audit was conducted by Mark Mulberry of Mulberry Local Authority Services Ltd, who has over 30 years’ experience in the financial sector with the last 14 years specialising in local government.

Your auditor is independent from the management of the financial controls and procedures of the council and has no conflicts of interest with the audit client, nor do they provide any management or financial assistance to the client.

Engagement Letter and inherent risk assessment

An engagement letter was previously issued to the council covering the 2025/26 internal audit assignment, which includes the scope and plan of works and fee structure. Copies of this document are available on request from anna@mulberrylas.co.uk

In summary, our work will address each of the internal control objectives as stated on the Annual Internal Audit Report of the AGAR.

It is our opinion that the inherent risk of error or misstatement within the council’s financial systems is low. The internal control environment is considered reliable, and as such, substantive testing of individual transactions is not deemed necessary at this stage.

Audit testing will therefore consist of walk-through testing on a selection of sample data, covering the period under review within the current council year. This approach is designed to confirm that key controls are operating effectively throughout the financial period.

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INTRODUCTION

The audit was conducted on site with the council's Responsible Financial Officer (RFO). The RFO had prepared the information advised in advance of the visit, and overall, I have the impression that accounting records are neatly maintained and easily accessible.

Other information was reviewed through discussion with the team and a review of the council website

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UPDATES ON RECOMMENDATIONS FROM INTERIM AUDIT

Internal Audit – Summary of recommendations

Audit Point	Interim Audit Findings	Council comments
Audit Point	Interim Audit Findings	Council comments
A: Appropriate accounting records have been properly kept throughout the financial year	I would recommend the council consider alternative accounting solutions that are more integrated, to reduce human input, reduce risk and reallocate finance time away from manual processing to more cost-effective tasks of review and reporting.	Council has an IT road map to implement new IT in 2028.
	I would recommend that the balance sheet accounts are reconciled and scheduled at least quarterly. This will ensure that all income and expenditure is properly and timely recorded.	On-going, the RFO has prepared detailed balance sheet recs and for 26/27 this will be completed.
	I would recommend that a checklist of key month end tasks is drawn to ensure consistency at month end.	Drafts will be written during 26/27
B: Governance	Please can I see signed versions of the Elected Member Contact Form and for these be made available to me for the second visit.	Completed and evidence noted
	I would recommend the website contain some text to indicate that signed versions of the minutes are available on request.	Completed and evidence noted
	I recommend the PO system is reviewed and updated.	On-going as part of the new IT upgrade scheduled for 2028.
I: Periodic bank account reconciliations were properly carried out during the year.	I would recommend that the financial regulation 2.2 is updated to the most recent NALC wording (shown below) and that in future the face of the bank statement is also signed. <i>“At least [once in each quarter], and at each financial year end, a member other than the Chair {or a cheque signatory} shall be appointed to</i>	Completed and FR updated. Evidence noted of new process and internal signatures. New regs to be taken to council in July 2026

	<i>verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign and date the reconciliations and the original bank statements (or similar document) as evidence of this. This activity, including any exceptions, shall be reported to and noted by the council {Finance Committee}.”</i>	
	The council has an investment strategy posted to its website. This is dated March 2023 with a scheduled review date of March 2024. This copy is out of date and needs to be replaced with the current version which was adopted in November 2024.	Updated in June 2026 with next review scheduled for November 2027
E: Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for throughout the financial year	The council sales ledger to nominal ledger reconciliation is out of reconciliation by £0.25 which has been static for the last two months. I recommend the RFO correct this SL to NL imbalance.	On-going
H: Asset and investments registers were complete and accurate and properly maintained.	It is my opinion that for a council of this size Excel is unwieldy and the council will benefit from investigating the use of a bespoke package.	On-going as part of the new IT upgrade scheduled for 2028.

A. BOOKS OF ACCOUNT

Internal audit requirement: Appropriate accounting records have been properly kept throughout the financial year.

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report.

CONCLUSION: I am satisfied this control objective has been met.

B. FINANCE REGULATIONS, GOVERNANCE AND PAYMENTS

Internal audit requirement: This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report.

CONCLUSION: I am satisfied this control objective has been met.

C. RISK MANAGEMENT AND INSURANCE

Internal audit requirement: This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report.

We discussed assertion 8 on the Annual Governance Statement and whether this had any impact on the council.

“We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.”

The Clerk confirmed that they were not aware of any event having a financial impact that was not included in the accounting statements.

CONCLUSION: I am satisfied this control objective has been met.

D. BUDGET, PRECEPT AND RESERVES

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

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report.

Budget

The Clerk & RFO produces regular, detailed budget monitoring reports drawn from the accounting software and supplemented in Excel. The layout is clear and accessible, enabling councillors to interrogate the figures and make informed decisions.

Councillors receive sufficient information to scrutinise performance and to question the accounts. No matters were identified to suggest that the budget had not been properly set or monitored during the year.

The council had budgeted for a surplus of £83,411 (after adjustments) and ended the year with a surplus of £534,693. A positive variance of £452,318. The driver behind this was a reduction in costs and a reversal of accruals, rather than an increase in income, with environmental showing the largest reduction of net costs of £474k. From a review of the minutes of council, I can clearly see that detailed reports are made and that councillors are fully aware of the performance of that of the council.

I discussed whether there are any changes that will be implemented in the next budget cycle to improve the accuracy of the budget. To reduce the impact of large budget swings I am told that this has already been recognised and changes are being implemented at a departmental level.

Precept

Full council set a precept of £5,943,766 in the meeting on the 13th January 2025 minute ref 15.2. [Full-Council-MINUTES-13-Jan-2025-2.pdf](#) I was able to confirm that the precept amount recorded in the accounts is correct, and equals the amount recorded in box 2 of the Accounting Statements.

The RFO confirmed that the 2026/27 budget & precept were approved on the 12th January 2026 and precept of £6,306,962 was agreed (minute ref 14). [Full-Council-Minutes-12-Jan-2026.pdf](#)

Reserves

The Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's guide provides updated guidance on the appropriate level of general reserves that councils should retain as below:

5.33 The general reserve of an authority comprises its cash flow and contingency funds to cover unexpected inflation, unforeseen events and unusual circumstances.

5.34 The generally accepted recommendation with regard to the appropriate minimum level of a smaller authority's general reserve is that this should be maintained at between three and twelve months of net revenue expenditure.

5.35 The reason for the wide range is to cater for the large variation in activity level between individual authorities. The smaller the authority, the closer the figure may be to 12 months expenditure, the larger the authority, the nearer to 3 months. In practice, any authority with income and expenditure in excess of £200,000 should plan towards 3 months equivalent general reserve.

5.36 *In all of this it is important that each authority adopt, as a general reserve policy, the level appropriate to their size, situation, risks and plan their budget so as to ensure that the adopted level is maintained. Consideration of the minimum level of reserves requires not only consideration of level of income and expenditure but also the risks to that income.*

5.37 *Authorities with significant self-generated income (other than the precept or levy) should take into account situations that may lead to a loss in revenue as well as increased costs and adapt their general reserve accordingly.*

At the year-end, the council held £3,756,054 in reserves.

• Capital/ringfenced EMR	£356,324 (agreed to TB)
• CIL EMR	£502,961 (agreed to TB)
• S.106	£757,735 (agreed to TB)
• Earmarked EMR	£ -
• General Reserves	£2,139,034 (agreed to TB)

I have reviewed the purpose of each earmarked reserve and am satisfied they relate to legitimate future projects of the council.

The general reserve balance is within range when compared to the recommended threshold per the SAPPP Proper Practices Guidance, which states a reasonable balance to be in the region of 3 to 12 months of net revenue expenditure, which I calculate to be in the range of £1.2m to £5m.

I discussed the requirement for generalised earmarked reserves for items such as elections and replacement of office equipment. These are currently sat within general reserves and planned/reported on. This is in and of itself not incorrect but can disguise the actual general reserves that are available to support the council cashflow. I.e if within the £2.1m general reserve, is a future requirement for £500k of new equipment that is not fully covered by precept application, the general reserve balance is reduced to £1.6m which would be close to being out of recommended range.

Recommendation: Create a category of general earmarked reserves.

CONCLUSION: I am satisfied this control objective has been met.

E. INCOME

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

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report.

The precept has been correctly posted to Box 2 of the AGAR with all other income in box 3.

CONCLUSION: I am satisfied this control objective has been met.

F. PETTY CASH

Internal audit requirement: Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report

CONCLUSION: I am satisfied this control objective has been met

G. PAYROLL

Internal audit requirement: Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report.

I reviewed the figure included in box 4 (staff costs) on the Accounting Statements and was able to confirm from the accounting software that in accordance with the guidance contained in the Smaller Authorities Proper Practices Panel (SAPPP) Practitioner's guide this includes only salary payments, HMRC payments and pension contributions.

CONCLUSION: I am satisfied this control objective has been met.

H. ASSETS AND INVESTMENTS

Internal audit requirement: Asset and investments registers were complete and accurate and properly maintained.

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report.

I confirmed the asset register total matches that included in box 9 (total fixed assets plus long-term investments and assets) of £20,151,808 on the Accounting Statements. There were net additions and disposals, of (£17,301) agreed to the register and underlying documentation. Underlying this were additions of £77,150 the largest being CCTV and Computer equipment.

Strictly speaking the Camera at a value of £885 as part of the inventory assets category should be added to the 2024/25 balance as a restated figure because this was purchased in the 24/25 year and identified at a later date. This would give rise to the following balances for the AGAR.

- 2024/25 £20,169,994 (restated)
- 2025/26 £20,151,808 (no change)

Council was aware of the disposals.

The council has no long-term cash or stock investments. The investment properties have been correctly recorded at original cost.

The council has PWLB borrowing agreed to the statement.

CONCLUSION: I am satisfied this control objective has been met.

I. BANK AND CASH

Internal audit requirement: Periodic bank account reconciliations were properly carried out during the year.

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report.

I reviewed the year-end bank reconciliation for all accounts and was able to confirm the balances on 31 March 2026 to the bank statements and found no errors. I was able to confirm the total bank balances to the figure included in the Accountings Statements on the AGAR. I noted evidence of amount clearing after date.

I noted continued evidence of the bank reconciliations being signed in accordance with Finance Regulations.

The council has ten bank accounts together with cash at the year-end all of which agreed to the statements and reconciliations.

HSBC Current	£1,382,201.63
PSDF Deposit	£1,100,000.00
HSBC Deposit	£278,204.58
Money Market	£1,000,000.00
Leaseholder Deposits (6)	£23,287.50
Cash	£1,265.26
Total	£3,784,958.97

CONCLUSION: I am satisfied this control objective has been met.

J. YEAR END ACCOUNTS

Internal audit requirement: 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.

Audit findings

The council is reminded that at its meeting to sign the Annual Governance and Accountability Return (AGAR), it should complete the steps in the following order:

- Review and consider the Annual Internal Audit Report
- Complete Section 1 – Annual Governance Statement
- Complete Section 2 – Accounting Statements

Section 1 – Annual Governance Statement

Based on the internal audit findings, I recommend using the table below as the basis for that discussion.

Annual Governance Statement	'Yes', means that this authority	Suggested response based on evidence
1 We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>	YES – accounts follow latest Accounts and Audit Regulations and practitioners guide recommendations.
2 We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>	YES – there is regular reporting of financial transactions and accounting summaries, offering the opportunity for scrutiny.
3 We have assured ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>	YES – the Clerk advises the council in respect of its legal powers.
4 We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>	YES – the requirements and timescales for 202/25 year-end were followed.
5 We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>	YES – the council has a risk management scheme and appropriate external insurance.
6 We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls</i>	YES – the council has appointed an independent and competent internal auditor.

		<i>meet the needs of this smaller authority.</i>	
7	We took appropriate action on all matters raised in reports from internal and external audit.	<i>responded to matters brought to its attention by internal and external audit.</i>	YES – matters raised in internal and external audit reports have been addressed. However, not all matters have been resolved with some forming part of a wider long-term project.
8	We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and. Where appropriate, have included them in the accounting statements.	<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>	YES – no matters were raised during the internal audit visits.
9	Trust funds including charitable – In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/asset(s), including financial reporting and, if required, independent examination or audit.	<i>has met all its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>	YES the council has Met its responsibilities
10	We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review.	<i>has made suitable arrangements for its IT and data management and has complied with proper practices in doing so</i>	YES the requirements of Governance Assertion 10 have been met

Section 2 – Accounting Statements

AGAR box number		2024/25	2025/26	Internal Auditor notes
1	Balances brought forward	2,327,650	3,340,174	Agrees to 2024/25 carry forward (box 7) -
2	Precept or rates and levies	5,642,672	5,943,766	Figure confirmed to central precept record –
3	Total other receipts	3,683,605	3,567,826	Agrees to underlying accounting records
4	Staff costs	3,049,674	3,616,215	Agrees to underlying accounting records. Includes only expenditure allowed as staff costs (see section G)
5	Loan interest/capital repayments	312,412	312,412	Agrees to PWLB remittance advices
6	All other payments	4,951,668	5,167,085	Agrees to underlying accounting records –
7	Balances carried forward	3,340,174	3,756,054	Casts correctly and agrees to balance sheet
8	Total value of cash and short- term investments	3,735,460	3,784,959	Agrees to bank reconciliation for all accounts

9	Total fixed assets plus long-term investments and assets	Restated 20,169,994	20,151,808	Matches asset register total – adjusted for camera purchased 24/25
10	Total borrowings	2,190,515	1,946,617	Agrees to PWLB statement

For local Councils Only		Yes	No	
11	Do the figures in the accounting statements above exclude any trust transactions	✓		Yes – trust transactions are excluded from the stated figures / No – trust transactions are included in the stated figures - typo in original AGAR

Audit findings

The year-end accounts have been correctly prepared on an income and expenditure basis. As a larger category 2 authority the council record assets and long-term liabilities on its balance sheet and makes adjustments at the year to report under the limited assurance regime. However, the original transaction is posted to revenue or expenditure account to ensure correct reporting on the AGAR. In order to facilitate the balance sheet entry a contra “Capital financing account” is created to provide an offset for the balance sheet items. I have reviewed the journal entries to this account to ensure correct disclosures. I am satisfied the entries are correct.

The Box 7 to Box 8 reconciliation duly completed and supported by a robust audit trail. **There is a £1 rounding variance on the reconciliation, I suggest increasing YE sundry creditors by £1 to £170,196**

The AGAR casts and cross-casts correctly, and the prior-year comparatives agree to the 2024/25 figures submitted to the external auditor and published on the council's website.

A variance analysis has been prepared, showing boxes, 2,3,4, 6 & 10 requiring detailed explanation. This report is in progress at the time of the audit. **I recommend a more detailed approach than the summary provides and I have sign posted the RFO to a format that may want to be considered.**

CONCLUSION: I am satisfied this control objective has been met.

K. LIMITED ASSURANCE REVIEW

Internal audit requirement: If the authority certified itself as exempt from a limited assurance review in the previous year, it met the exemption criteria and correctly declared itself exempt.

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report.

CONCLUSION: The council did not certify itself exempt from a limited assurance review in the previous year and the testing for this internal control objective is not applicable.

L: PUBLICATION OF INFORMATION

Internal audit requirement: 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.

Audit findings

All councils are required to follow The Accounts and Audit Regulations which include the following requirements:

13(1) An authority must publish (which must include publication on that authority's website)

- (a) the Statement of Accounts together with any certificate or opinion entered by the local auditor in accordance with section 20(2) of the Act; and
- (b) the Annual Governance Statement approved in accordance with regulation 6(3)

13(2) Where documents are published under paragraph (1), the authority must

- (a) keep copies of those documents for purchase by any person on payment of a reasonable sum; and
- (b) ensure that those documents remain available for public access for a period of not less than five years beginning with the date on which those documents were first published in accordance with that paragraph.

I was able to confirm that pages 4 (Annual Governance Statement), 5 (Accounting Statements) and 6 (External Auditor's Report and Certificate) of the AGARs are available for review on the council website for the previous five financial years.

Confirm that the council is compliant with the relevant transparency code

For councils with a turnover over £25,000, it is recommended best practice to follow the Local Government Transparency Code 2015, but not a statutory requirement and therefore not subject to verification during the internal audit. However, the council does publish the required information on its finance page which was up to date at the date of the final audit. [Finance | Salisbury City Council](#)

I confirmed that the council has a Publication Scheme in place adopting the ICO's Model Publication Scheme, are published on the council's website. [Freedom of Information Publication Scheme](#)

CONCLUSION: I am satisfied this control objective has been met.

M: EXERCISE OF PUBLIC RIGHTS - INSPECTION OF ACCOUNTS

Internal audit requirement: In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations.

Audit findings

Inspection – Key Dates	2024/25 Actual	2025/26 Proposed
Date AGAR signed by council	27 th May	29 th June 2026
Date inspection notice issued	30 th June	30 th June 2026
Inspection period begins	3 rd June	1 st July 2026
Inspection period ends	14 th July	11 th August 2026
Correct length (30 working days)	Yes	Yes
Common period included (first 10 working days of July)	Yes	Yes

I am satisfied the requirements of this control objective were met for 2024/25, and assertion 4 on the Annual Governance Statement can therefore be signed yes by the council.

I reviewed the proposed dates for the Exercise of Public Rights for the 2025/26 AGAR and confirm that these are in accordance with the requirements of the Accounts and Audit Regulations.

CONCLUSION: I am satisfied this control objective has been met.

N: PUBLICATION REQUIREMENTS

Internal audit requirement: The authority complied with the publication requirements for the prior year AGAR.

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website / webpage.

Before 1 July 2025 authorities must publish:

- *Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited*
- *Section 1 - Annual Governance Statement 2024/25, approved and signed, page 4*
- *Section 2 - Accounting Statements 2024/25, approved and signed, page 5*

Not later than 30 September 2025 authorities must publish:

- *Notice of conclusion of audit*
- *Section 3 - External Auditor Report and Certificate*
- *Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review.*

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report.

I was able to confirm that the Notice of Conclusion of Audit and External Auditor Report and Certificate were published on the council's website before 30 September 2025. [Finance | Salisbury City Council](#)

The council has therefore met the publication requirements for 2024/25 have been met.

CONCLUSION: I am satisfied this control objective has been met.

O. DIGITAL AND DATA COMPLIANCE

Internal audit requirement: The authority has complied with laws, regulations and proper practices relating to digital and data compliance.

Audit findings

Website accessibility (WCAG 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018)

I confirmed that the council operates a free-to-access website and that an Accessibility Statement is published, last reviewed on in March 2023, referencing the level of compliance with Web Content Accessibility Guidelines 2.1 and identifying only partial compliance. [Accessibility | Salisbury City Council](#)

It is clear the website is accessible and the data logically presented and up to date. However, the statement is out of date.

Recommendation: The statement needs to be reviewed and updated to reflect the latest regulation WCAG 2.2

Data protection — UK GDPR 2016 and the Data Protection Act 2018

I confirmed that the council is registered with the Information Commissioner's Office (registration number Z2140334 current to March 2027). I sighted the council's Privacy Notice published on the website, the Data Protection Policy and supporting Records Retention and Disposal Schedule. Arrangements for handling Subject Access Requests and Freedom of Information Requests are documented and published.

Email

I confirmed that Council operates a generic email account hosted on an authority-owned domain in the correct format, and that this account is in active use. I inspected a sample of incoming and outgoing correspondence routed through the generic account during the year. The use of an authority-owned domain provides a clear audit trail, supports compliance with data minimisation, integrity and confidentiality principles under UK GDPR, and ensures that authority business is segregated from any personal communications of the Clerk and members.

IT Policy (Practitioners' Guide para 1.54)

I confirmed that the council has various IT Policies covering the use of authority-owned and personal equipment by the Clerk, members and any other staff.

CONCLUSION: I am satisfied this control objective has been met.

P. TRUSTEESHIP

Internal audit requirement: Trust funds (including charitable) – The council met its responsibilities as a trustee.

Audit findings

Testing conducted at the interim audit and findings included in the interim audit report.

CONCLUSION: I am satisfied this control objective has been met.

Achievement of control assertions at final internal audit date

Based on the internal audit tests conducted during the year, our conclusions on the achievement of the internal control objectives are summarised in the table below.

Ref	Internal Control Objective	YES	NO	NOT COVERED
A	Appropriate accounting records have been properly kept throughout the financial year.	✓		
B	This authority complied with its Finance Regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.	✓		
C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F	Cash payments were properly supported by receipts, all cash expenditure was approved, and VAT appropriately accounted for.	✓		
G	Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H	Asset and investments registers were complete and accurate and properly maintained.	✓		
I	Periodic bank account reconciliations were properly carried out during the year.	✓		
J	Accounting statements prepared during the year were prepared on the correct accounting basis, supported by an adequate audit trail from underlying records.	✓		
K	If the authority certified itself as exempt from a limited assurance review in the previous year, it met the exemption criteria and correctly declared itself exempt.			✓
L	The authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M	The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.	✓		
N	The authority complied with the publication requirements for the prior year AGAR.	✓		
O	The authority has complied with laws, regulations and proper practices relating to digital and data compliance.	✓		
P	Trust funds (including charitable) – The council met its responsibilities as a trustee.	✓		

Should you have any queries please contact me directly on mark@mulberrylas.co.uk

Yours sincerely



Mark Mulberry
Director, Mulberry Local Authority Services Ltd

Internal Audit – Summary of recommendations

Audit Point	Internal Audit Findings	Council comments
Interim points	Please continue to attend to all on-going interim points noted above	
D: Budget & Reserves	<p>I discussed the requirement for generalised earmarked reserves for items such as elections and replacement of office equipment. These are currently sat within general reserves and planned/reported on. This is in and of itself not incorrect but can disguise the actual general reserves that are available to support the council cashflow. I.e if within the £2.1m general reserve, is a future requirement for £500k of new equipment that is not fully covered by precept application, the general reserve balance is reduced to £1.6m which would be close to being out of recommended range.</p> <p>Recommendation: Create a category of general earmarked reserves.</p>	
J: YE Accounts	<p>The year-end accounts have been correctly prepared on an income and expenditure basis, with the Box 7 to Box 8 reconciliation duly completed and supported by a robust audit trail. There is a £1 rounding variance on the reconciliation, I suggest increasing YE sundry creditors by £1 to £170,196</p> <p>A variance analysis has been prepared, showing boxes, 2,3,4, 6 & 10 requiring detailed explanation. This report is in progress at the time of the audit. I recommend a more detailed approach than the summary provides and I have sign posted the RFO to a format that may want to be considered.</p>	
O: Digital compliance	The accessibility statement needs to be reviewed and updated to reflect the latest regulation WCAG 2.2	