Frome Town Council
Financial Year 2025-26

Date considered by Council 27 May 2026

IAC Audit and Consultancy Ltd

Year End Internal Audit Observations

Audit date: 16 May 2026

Minute Reference ________________

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	Council has reviewed independence of the Internal Auditor	No	*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*	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	Noted and included in year end report 2026

H ***Asset and investments registers were complete and accurate and properly maintained.***

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	The asset register has been subject to review by Council	Yes	*It was noted that the asset register has been subjected to detailed review by Council Officers during the year. This has led to the exclusion of low value items (in accordance with observations made by the Internal Auditor) the removal of asset located on Trust land.*	Council to note and review the changes made to the asset register. In particular the council to note the low value items no longer recorded on the register and the removal of the items located on Trust land.	Medium	Completed

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	Any changes to prior year Accounting Statement values have been correctly recorded	Yes	*It was noted that several changes have been made to the 2024/25 (prior year) AGAR Accounting Statement values as a result of comments by the External Auditor and a review of the asset register.*	Council to specifically note the amendments to the prior year values on the 2025/26 AGAR Accounting Statements.	High	Completed in Variances report

(For local councils only)
P ***Trust funds (including charitable) – The council met its responsibilities as a trustee***

No.	Audit Test	Response	Observation	Recommendation	Priority	Comments
1	Trust assets are recorded as assets of the Trust, and NOT as assets of the Council	Yes	*It was noted that a number of assets located on the Mary Bailey Playing were previously recorded within the Councils asset register and reported within the Box 9 value of the AGAR Accounting Statements. This was subject to review by the Business and Administration manager and the Asset Register was updated to separate these items. They are now still recorded by the Council, as Trustee, but no longer included within the value reported in the AGAR Accounting Statements.*	Council to note.	Low	Noted and included in year end report 2026