

Caroline Leet  
Clerk to Edenbridge Town Council

3 May 2026

Dear Caroline

**Edenbridge Town Council**

**Internal Audit 25-26**

The internal audit for the 25-26 financial year is now complete. I am pleased to report that I have signed off the internal audit section of the Annual Governance and Accountability Return (AGAR) for with no comments.

As stated in the engagement letter, the scope of our work is limited to completing the audit testing and enquiries we deem necessary to complete Section 4 of the Annual Report for Local Councils in England. We do not provide assurance over or accept responsibility for areas of work not included in this scope, unless specifically agreed with the Council during the financial year.

In providing internal audit services we are not conducting a financial statement audit in accordance with standards and guidelines issued by the Audit Practices Board and our procedures are not designed to provide assurance over the reliability and quality of your financial statements and management information – that is the job of external audit.

We are required by the Annual Internal Audit Report included in the Annual Governance and Accountability Return (AGAR) to review controls in place at the Council against predefined control assertions. These control assertions are set out below, together with the results of my internal audit work. Recommendations are set out at Appendix A. Areas not tested because they are not relevant to this Council are listed at Appendix B.

The audit was carried out in two stages. The interim audit was carried out on 23 February, this concentrated on in year financial transactions and governance controls. The final audit was carried out on 1 May and concentrated on the statement of accounts and balance sheet.

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Company Registration Number 14174016  
6 Uplands Road. Farnham GU9 8BP

## **A - Appropriate books of account have been kept properly throughout the year**

### **Interim Audit**

The Council uses the Edge Accounting system to manage the Council's finances, an industry specific accounting package. A review of the cashbook shows that all data fields are being entered, supporting documentation is easily located from references recorded on the general ledger. Reconciliations tested were up to date at the time of the audit. Good use is made of the document storage function to store invoices and other relevant information.

I confirmed the opening balances were correct. Box 8 on the 24-25 audited accounts was £1,032,003. This has been agreed to the opening cash balance on the Edge Accounting system (£1,032,003.14).

The Council submits VAT returns quarterly. I have confirmed quarterly submissions have occurred in 25-26 by reviewing the VAT file. The most recent claim was submitted for the 3 months to 31 December 2025. VAT reclaimed was £12,367. VAT reclaimed is supported by accounting system quarterly VAT reports. The VAT refund has been received, I checked the credit to bank, this was received on 20 January,

### **Final Audit**

The accounting statements have been agreed back to year end reports produced from the Edge accounting system (annual return report and balance sheet). All comparatives reported in the financial statements have been agreed back to the audited 24-5 accounts, as published on the Council website. Arithmetic in the financial statements has been checked.

I confirmed that the VAT return for period January to March 26 has been completed and submitted to HMRC. VAT of £8,127 was reclaimed, this was banked on 21 April. Council is up to date with VAT. VAT reclaimed in the Q4 VAT return agrees to the VAT debtor on the Council balance sheet.

My interim report was considered at the March Full Council meeting (minute 10.1). Minutes show proper consideration of recommendations raised.

## **B - The Council's financial regulations have been met, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for**

### **Interim Audit**

Financial Regulations were last reviewed at the Full Council meeting in May 2025– minute 11.2. This update included changes to regulations relating to procurement. Standing Orders were readopted at the same meeting - minute 11.1

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The Council makes payments to suppliers as follows:

Invoices are sent to the office, mainly by email. These are checked by officers for accuracy and to confirm delivery of goods / services. Councillors also check invoices and sign off to approve for payment. The RFO next sets up payments on Edge, codes expenditure to relevant ledger codes. Payments are set up at bank by the RFO, and a councillor authorises the payment electronically. The payment listing is also signed by a councillor. This is a satisfactory process, compliant with Financial Regulations, and with adequate separation of duties. I have one recommendation:

- There are only 2 councillor signatories on the current account, this is not sufficient to cover absences / changes of councillor. The Council should establish a panel of at least 4 signatories on each bank account.

I selected a sample of expenditure transactions from the cashbook for the first 11 months of the financial year. I was able to confirm for all transactions that:

- Cashbook entry could be agreed back to invoice
- Invoice authorised for payment, evidenced by signature of councillor and officer on invoice
- VAT accounting correct
- Expenditure appropriate for the Council

I viewed payment listings for 3 payments and was able to check councillor sign off had been recorded on the payment listing. 1 payment was by direct debit. I confirmed the supplier has been approved for direct debit payment.

### **Final Audit**

Non pay expenditure per box 6 to the accounts amounted to £431,899 down from £461,636 in 24-25.

I tested 1 further payment from March 2026 and confirmed the following:

- VAT correctly accounted for
- Expenditure appropriate for this council (SLA payment)
- Invoice authorised by 2 councillors at bank - checked to signed bank payment listing
- Payment per cash book agreed to invoice
- Invoice signed off by 2 councillors (on face of invoice)

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**C - The Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.**

**Interim Audit**

The Council is due to complete the 25-26 review the of Council risk assessments at the Full Council meeting in March. I will review this at my year end audit, and I have reminded the Clerk that this review must be completed and minuted at the March meeting.

The Council is insured by Hiscox, arranged by Gallaghers. I confirmed that insurance was in place at the time of my audit:

Period of insurance : Continuous cover from 20/07/2025 until the policy is cancelled  
 Date issued to insured : 15/07/2025

The following assets are insured:

Premises address	Sum insured
Doggetts Barn, 72A High Street, Edenbridge, TN8 5AR	£1,240,341
Depot with solar panels, Church Street, Edenbridge, TN8 5BD	£300,078
Store, Forge Croft, Edenbridge, TN8 5BW	£40,947
Sports Pavilion inc Solar Panels, Recreation Ground, Edenbridge, TN8 5HZ	£1,949,496
Public Toilets, Market Yard, Edenbridge, TN8 5BB	£246,694
Mowshurst Barn, Swan Lane, Edenbridge, TN8 6AH	£170,859
Mowshurst Garage, Swan Lane, Edenbridge, TN8 6AH	£40,947
Church House and Rickards Hall, 72 High Street, Edenbridge, TN8 5AR	£3,650,367
Store, Recreation Ground,, Recreation Ground, Edenbridge, TN8 5HZ	£33,915
Cricket Store, Recreation Ground, Recreation Ground, Edenbridge, TN8 5HZ	£7,745

Item description	Excess	Amount Insured
Total Buildings	£250	£7,681,389
Gates and fences	£250	£31,539
Fixed outside equipment	£250	£0
Street furniture	£250	£168,067
War memorials	£250	£0
Playground equipment	£250	£294,474
Sports surfaces	£250	£0
Other surfaces	£250	£0
Rent receivable	£250	£5,000

The Clerk confirmed that building insurance values were checked prior to the start of the last 3-year contract. These should be checked in the next 12 months to ensure that insurance valuations are still accurate.

## **Final Audit**

The Council's risk assessment was reviewed and approved at the Full Council Meeting in March (minute 11.3). Risk assessments are in place for:

- Council Governance
- Financial
- Open Spaces
- Buildings
- Personnel.

These were reviewed by 2 councillors prior to adoption by Council. I reviewed the Financial Risk Register; it is sufficient for a Council of this size and activity level. All risk assessments are published on the Council website.

**D - The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.**

## **Interim Audit**

The Council has completed budget and precept setting for the 26-27 financial year, with approval recorded at Full Council in January 2026. (Minute 9). A precept of £849,885 was approved, and all precepting authority deadlines were met. The budget had been subject to prior scrutiny at Finance Committee in November, and Full Council in December.

Details of the budget are published on the website, with a detailed explanation of expenditure plans, and reasons for the increase in precept. A balanced budget has been set, summarised below:

**Expenditure: £965,056.37**  
**Income: £115,569.00**  
**Deficit / Precept required: £849,487.37**

Budget monitoring reports are presented to meetings of the Finance and Governance Committee, alongside a package of other finance reports. These include:

- Budget comparison report
- Balance sheet
- Financial summary cashbook
- Bank reconciliation
- Sales ledger report

I checked the Budget Comparison Report presented to the February 26 meeting. At this point (10 months of year elapsed)

- Expenditure was £722K against budget of £904K,
- Income £1.16m against budget of £904K.

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## **Final Audit**

Reserves at 31 March 2026 were £1,386,574 (24-25 £1,032,745).

General reserves at year end were £364K. This represents 45% of precept, which is at the mid-point of recommended levels set out in the NALC Practitioners' Guide. General levels are held at an appropriate level.

Earmarked reserves are £1.022m. The largest earmarked reserves are:

- CIL Funds £ 443k
- 10/30 Building Fund £124K
- 10/30 Open Spaces Plan £269K

Other reserves are held to cover future costs (eg Elections / neighbourhood plan / staffing/strategic plan)

I reviewed the earmarked reserves monitoring spreadsheet, which is managed by the RFO. This is an example of good practice, as it demonstrates clearly what future costs the reserves are held to cover. The open spaces reserve (£296K) is supported by a list of future expenditure the council has estimated will be needed in the medium term to maintain open spaces to the required standard. Reserves will next be reviewed by Council at the May Full Council meeting, the RFO has prepared the 25/26 outturn report, which includes a section on reserve balances.

**E - Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.**

## **Interim Audit**

The Council collects income from a number of sources. These include

- Cemetery fees
- Rents for property leased to sports clubs / museum
- Room hire for Rickards Hall
- Recharges for grounds works carried out by ETC staff for other organisations

I tested a sample of income transactions. I was able to agree credits on the cashbook back to third party documentation, including :

- remittance notes from district council
- grant remittances
- bank interest – agreed to CCLA statement
- cemetery fees – agreed to invoice and to 25-26 fees schedule
- rent – agreed to lease and council approved rental for Rugby Club.

Credits were also checked to the bank statement.

I reviewed the sales ledger as at 23.2.26 The debtor balance was £1.3K at this time, all debts appeared to be current.

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## **Final Audit**

Precept per box 2 to the accounts was £804,054 (24-25 £745,185). This has been agreed to third party documentation provided by central government. The initial draft accounts had to be amended as my review identified an error in the precept figure.

Income per box 3 to the accounts was £494,741 (24-25 £240,807). I reviewed a further income credit of £110,000, received from SDC (Pavilion CIL funding). This has been checked to a signed funding agreement and to the bank account.

## **F - Petty cash payments were properly supported by receipts; all petty cash expenditure was approved and VAT appropriately accounted for.**

## **Interim Audit**

The Council has a £200 petty cash balance. This is counted every 6 months by the RFO and reconciled to accounting records. I have recommended that the petty cash count should be countersigned by the Clerk at least annually, although I understand the Council is considering closing the petty cash account.

## **G- Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.**

## **Interim and Final Audits**

Staff costs per box 4 to the accounts were £513,067 (24-25 £445,557).

Payroll is processed in house using Sage payroll; this is processed by the Town Clerk. I checked the December 2025 payroll. I was able to agree payroll recorded in the Edge cashbook back to the payroll summary report produced from Sage. From there I selected 3 officers, and agreed individual pay records to payslips. Gross pay was tested for each officer and agreed back to contract, and to national payscales published by NALC. I am satisfied that staff tested are being paid Council approved rates of pay.

At the year-end audit I confirmed that box 4 on the accounting statements only contained staff salary and payroll costs, as required by accounting regulations.

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

## **Final Audit**

Fixed assets per box 9 to the accounts were 4,319,344 (£ 4,307,108 )

The opening balance in the asset register has not been audited. This was checked by my predecessor, and I therefore assume that assets are accounted at cost or proxy cost until 31.3.25.

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The Council maintains the asset register on the Edge Accounting System. I have agreed the fixed asset balance in box 8 of the accounting statements at 31.3.26 back to the closing asset register balance.

Additions of £13.6K have been recorded on the asset register in 25-26. A schedule of additions has been provided. The highest value item was the market archway, added at purchase cost of £6K.

Disposals with an asset register value of £1206 were actioned in 25-26 – the Council has supplied a list of these assets.

My review of the asset register has shown that there are some anomalies in the asset register, specifically where asset register accounting is not picking up asset register values for some assets. Whilst this is not material to the accounts, the Council must carry out a review of the asset register in 25-26 to check that:

- all asset accounting values are correctly recorded on the asset register and that these are picked up in fixed asset accounting reports
- all assets are still held by the Council and can be located from fixed asset register references.

### **I – Periodic and year-end bank account reconciliations were properly carried out.**

#### **Interim Audit**

The Council has 6 active bank accounts, including 2 CCLA investment accounts. All accounts are reconciled to bank each month, the reconciliations are then reviewed by a councillor, and the reconciliation reported to the Finance Committee meeting. I reviewed the bank reconciliation file; this confirms that bank reconciliation controls have operated throughout the financial year.

I reperformed the December 2025 bank reconciliation. I agreed balances on the reconciliation to the accounting system and to bank statements. Arithmetic was checked, and I confirmed councillor review was evidenced properly on the bank reconciliation.

The Council is in the course of finalising its investment policy, this is due to be approved at the March Full Council meeting. As a large council, ETC is required to have an investment policy in place, so I am pleased to see the Council has addressed this matter.

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## **Final Audit**

Borrowings per box 10 to the accounts were £nil  
(24-25 £ nil)

Cash per box 8 to the accounts was £1,453,488 (24-25 £1,032,003)

I reformed the year end bank reconciliation. I agreed all balances in the bank reconciliation back to the accounting system reports and to bank statements. The year end bank reconciliation was found to be accurate. The bank reconciliations have been reviewed by Cllr Jaques and this review properly evidenced.

## **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, were supported by an adequate audit trail from underlying records, and**

Edenbridge TC has produced accounts on an accruals basis, this is required as income / expenditure is above £200k. A reconciliation between Box 7-8 of the accounts has been prepared, for external audit review, and creditor and debtor listings support this reconciliation. An explanation of year-on-year variances has also been prepared and provides detailed explanations for review by external audit.

## **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 any relevant transparency code requirements**

### **Interim Audit**

The Council is required to follow the directions of the Transparency Code 2015, as it is classified as a larger Council. It meets these obligations by publishing information on the Finance and Transparency pages of the Council website. Information is comprehensive and is presented in a way to demonstrate full compliance with the Transparency Code. I specifically tested the following at the interim audit:

- Grants awarded – grant awards in 25-26 are published
- Supplier payments – Published within Finance and Governance Committee papers, aggregated each year end on the Finance page

The RFO confirmed that the £500 + expenditure page will be updated once the audit has been completed

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## **M – Inspection Periods**

Inspection periods for 24-25 accounts were set as follows

<b>Inspection - Key date</b>	<b>24-25 Actual</b>
<b>Accounts approved at Full Council</b>	7 May - Full Council
<b>Date Inspection Notice Issued and how published</b>	6 June – website and notice boards
<b>Inspection period begins</b>	9 June
<b>Inspection period ends</b>	18 July
<b>Correct length</b>	Yes – 30 working days

All regulatory requirements were met in this regard.

## **N – Compliance with Publishing Requirements 24-25 Accounts**

The Statement of Accounts, Annual Governance Statement and the external audit certificate are published on the AGAR page on the website. The external audit certificate was clear, so there are no matters to take into consideration in the 24-25 accounts. The Conclusion of Audit certificate has been published on the website, with an announcement date of 29 September. This is after the date of the audit certificate (25 September), and before the statutory deadline (30 September). The external audit certificate was reported to the meeting of Full Council in October (minute 10.2).

The Council has added older AGAR reports to the website since my interim audit. I can

### **O: The authority has complied with laws, regulations & proper practices relating to digital and data compliance.**

The Council completed a detailed review of its procedures against best practice set out in the SAPP Practitioners Guide at the March meeting of Full Council – minute 11.4. This minute details improvements in digital data management made because of the review, and provides evidence that it is compliant with the requirements of the Practitioner’s Guide. I have reviewed this evidence and confirm there is sufficient to permit the Council to sign off Assertion 10.

### **O- Trust funds (including charitable) The council met its responsibilities as a trustee.**

The Town Council is sole trustee of 2 charities:

- Public Recreation Ground – Charity 302732
- Recreation Ground - Charity 302733

Both charities exist to own recreation grounds in the town and submit zero annual returns to the Charity Commission. I have confirmed that annual returns for both charities for 24-25 have been submitted to the Charity Commission before statutory deadlines.

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I would like to thank you for your assistance with the audit. I attach my invoice and the Internal Audit Report from the AGAR for your consideration. I look forward to working with you again in 26-27.

Yours sincerely



Mike Platten CPFA

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## Appendix A

### Points Forward – Action Plan - Interim Audit

Matter Arising	Recommendation	Council Response – Final Audit
For 25-26, an additional assertion has been added to the Annual Governance Statement, this covers digital and data compliance. The Council is largely compliant with the requirements of the Practitioners’ Guide in this area.	For clarity, it is recommended that the Council considers compliance with paragraphs 1.47 to 1.54 on page 14 of the Practitioners’ Guide at a meeting before the end of the financial year.	<b>Actioned – see section O</b>
AGAR reporting on the website only goes back to 22-23. Regulations require AGAR documentation to be published on the website for 6 years.	This information must be added to the website as soon as possible	<b>Actioned</b>
There are only 2 councillor signatories on the current account, this is not sufficient to cover absences / changes of councillor. .	The Council should establish a panel of at least 4 signatories on each bank account	

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# April Skies

Accounting

## Final Audit

Matter Arising	Recommendation	Council Response – Final Audit
<p>My review of the asset register has shown that there are some anomalies in the asset register, specifically where asset register accounting is not picking up asset register values for some assets.</p>	<p>Whilst this is not material to the accounts, the Council must carry out a review of the asset register in 25-26 to check that:</p> <ul style="list-style-type: none"><li>- all asset accounting values are correctly recorded on the asset register and that these are picked up in fixed asset accounting reports</li><li>- all assets are still held by the Council and can be located from fixed asset register references.</li></ul>	

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**Appendix B**

**Internal Audit Control Objectives – Marked as not covered**

<b>Control Objective</b>	<b>Area for Audit</b>	<b>Why this has not been audited</b>
K	Limited assurance review in 24-25	Council completed review

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