R.F. MILLER & Co.
SERVING THE COMMUNITY FOR OVER A HUNDRED YEARS

Barrow Town Council
Town Hall
Duke Street
Barrow in Furness
Cumbria
LA14 2LD

26 June 2026

AB/KMR/BTC01/GEa

Dear Sirs,

Report to Management

We have recently completed our internal audit for the year ended 31 March 2026.

Our examination is based on a review of the system of internal and financial control and whether this is deemed to be adequate for the council. Our work is carried out with reference to the Public Sector Internal Audit Standards and the Practitioners Guide to Governance and Accountability for Local Councils.

The financial information provided has been reviewed and the following test have been performed:

1. Confirmation of bank reconciliations performed during the year and that the final reconciliation agrees to the closing bank statements as of 31 March 2026.
2. Review of bank transactions to statement on a random testing basis, and all analysis of both receipts and payments reviewed for accuracy.
3. Source documents reviewed and checked through to bank statement and the accounts for accuracy.
4. Review of the allotment income workings has been undertaken and agreed to the records kept by the council. An adjustment has been made for allotment rents unpaid and also amounts where the full rent hasn't been paid. Both figures are shown within current assets in the balance sheet.
5. Cash at bank showing on the balance sheet agreed to the closing bank statements.
6. Capital expenditure identified and shown within fixed assets in the balance sheet.

With respect to the payroll and payment of the relevant liabilities over to H M Revenue and Customs, it has been noted that an underpayment occurred for the months ended 5 August 2025 and 5 September 2025 due to submission errors in the payroll. One of the two underpayments was subsequently paid to H M Revenue and Customs, but one amount remains outstanding of £1,026.28. This has been noted to the clerk to investigate and is shown as a liability within the balance sheet.

Pension contributions are being deducted from employees each month and an employer amount also calculated as due. These amounts have been included within wages to show both the gross wages costs, and the employer pension costs in the year. However, no payments of the pension amounts into the pension scheme have been seen throughout the year. The 2026 contributions are shown as a creditor within the balance sheet.

This has been highlighted to the clerk, and an investigation is currently underway regarding whether the contributions have been made or not and if so where have they been paid from. This investigation may uncover prior year amounts unpaid also, however, the value has not been fully quantified and until the outcome of the investigation is known, no liability has been included for any prior year pension amounts. This can be adjusted if needed should backdated payments be required in the current year.

The VAT returns for the full year were completed by the Town Clerk and the liabilities were all identified. The VAT refund due at the year-end has been shown within current assets in the balance sheet. This balance can be verified as per the workings provided.

Some items have been highlighted to the clerk to investigate whether VAT has not been claimed when it could have. Should these be claimed in a return in the current year, the relevant expenses will be adjusted at the same time. The total value of the errors noted is not material to the 2026 figures.

We note in respect of points M and N on page 3 of the AGAR form, last year's information is currently available online and once the current year is publicised, we will be in a position to review and sign this section off.

We have reviewed relevant policy documents, including the code of conduct, standing orders and financial regulations and ensure the governance of the council has been adhered to.

A review of the website documents, including minutes and agendas of meetings, mainly geared towards the meetings of the finance committee meetings, with reference to expenditure approval by the committee and referenced to the expenditure of the council.

We include below an additional information sheet following the checklist as required.

In our opinion, the general control environment at the council is good and we do not consider the issues raised to be fundamental to the operation of the council. We have seen nothing to suggest the weaknesses, as raised, have created issues to the council.

Yours faithfully

RF Miller & Co

R F Miller & Co

Additional information

1. The accounts for 2026 have been prepared on an income and expenditure basis.
2. None of the responses in section one are No.
3. All responses in the Annual Internal Audit Report 2025/26 are yes other than:
    a. Section F – ticked as not covered as the council does not deal with petty cash.
    b. Section K – ticked as not covered as the council is required to have this.
4. To be provided by the clerk.
5. To be provided by the clerk.
6. Box 9 has a variance greater than 15%, this is due to capital additions in the year as detailed in the fixed asset register attached to the accounts.
7. Included in accounts.
8. The council does not operate a petty cash system.
9. The balance sheet shows both boxes 7 and 8 and how the bank balances form part of the total funds carried forward.
10. Less than £100k.
11. All reserves are deemed to be general.
12. Box 9 includes fixed assets only.
13. Clerk to advise.
14. Neither figure exceeds the limit.
15. The council keeps their records using excel.
16. Clerk to provide.