Annual Internal Audit Report 2025/26

Sacriston Parish Council

www.sacristonparishcouncil.com

During the financial year ended 31 March 2026, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2025/26 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

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 financial 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.			NONE ✓
G. Salaries to employees and allowances to members were paid in accordance with this 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 (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.	✓		
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")*			✓
L. 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.	✓		
M. 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 *(during the 2025/26 AGAR period, were public rights in relation to the 2024-25 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).*	✓		
N. The authority has complied with the publication requirements for 2024/25 AGAR *(see AGAR Page 1 Guidance Notes).*	✓		
O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.		✓	
	Yes	**No**	**Not applicable**
P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken: 18/05/2026

Name of person who carried out the internal audit: GORDON FLETCHER (C.M.I.I.A.)

Signature of person who carried out the internal audit: G Fletcher

Date: 20/05/2026

***If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).**

Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report **must explain why not (add separate sheets if needed).

INTERNAL AUDIT REPORT – 2025/2026
SACRISTON PARISH COUNCIL

1. Background

1.1. Following the abolition of the Audit Commission a new organisation has been established which is responsible for issuing proper practices in relation to the accounts of smaller authorities. It is called the Smaller Authorities Proper Practices Board (SAPPB), and is made up of members of the SLCC, NALC, CIPFA, the Ministry of Housing, Communities and Local Government (MHCLG), the Department of Environment, Food and Rural Affairs (DEFRA), the National Audit Office and a representative of the external audit firms appointed to smaller authorities.

1.2. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,0000 must complete Part 3 of the Annual Governance and Accountability Return (AGAR) at the end of each financial year. The AGAR is made of 3 sections along with an annual internal audit report. which is to be completed by the Parish Council's independent internal auditor, who is to give an opinion of the Parish Council's internal controls.

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1.3. CDALC have previously provided Councils with a checklist to be used, this annual audit uses this list as the minimum of the tests to be carried out.

1.4. One of the sections within the annual return is to be completed by the Council's independent internal ' auditor, who is to give an opinion of the Council's internal controls.

2. Objectives of the Audit

2.1. To examine the system of internal controls to ensure that the Parish Council may obtain an adequate level of assurance for its activities.

3. Scope of the Internal Audit work and the areas examined.

3.1 The Scope of Work covers the key controls identified in the annual return.

3.2. To properly complete the audit the following areas of activity have been examined and tested by the Internal Auditor:

- Payroll
- Creditors
- Risk Management/Governance arrangements
- Income collection and Banking arrangements
- Petty cash
- Assets
- Debtors
- Budgetary Control (including year end procedures)
- Exercise of Public Rights

3.3. The audit findings of this report have been discussed with the Clerk of the Council and any audit recommendations have been agreed with her.

4. Findings

4.1. Payroll

4.1.1 The Parish Council has 1 paid employee, the Clerk, and is paid monthly along with payments to HMRC.

4.1.2. I examined the payroll amounts for the financial year 2025/2026 and all payments had been correctly made. I understand that checking by Councilors' is carried out with the payment of the accounts every month.

4.2. Creditors

4.2.1. There is no separation of duties regarding payment of accounts as Finance and Administration at Sacriston Parish Council is carried out by the Clerk as the Officer responsible, who initials the invoice as confirmation that the invoice is ok to pay, with compensating checks carried out by Members, who agree the invoices to pay each month.

4.2.2. Payments are made by BACS. with all payments recorded on a monthly schedule which is approved at Council meetings and recorded in the minutes.

4.2.3. On examining the file of payments, it was found that all payments had been properly agreed correctly paid and recorded in the accounts.

4.3. Risk Management/Governance Arrangements

4.3.1. There is a risk assessment of the Council's activities, which is reviewed and updated at the Annual meeting every year.

4.3.2. Risks to the Parish Council have improved with the appointment of the independent Internal Auditor who gives assurance on the Council's activities.

4.3.3. All policies (including Standing Orders and Financial Regulations) are reviewed by the HR and Finance during the year and then agreed by Council at the AGM.

4.3.4. The AGM confirms the statement of accounts which includes the asset register.

4.3.5. Exercise of Public Rights was announced on 8th June 2025 and covered the period 9th June to 18th July 2025 and was place on the website.

4.3.6 The statement on internal controls for 2025/26 was approved at the 1st April 2026 Council meeting.

4.3.7. Most of the requirements for Assertion 10 were met but unfortunately it was recognized that the website is not fully accessible. Redevelopment has commenced.

4.4. Income collection and Banking arrangements

4.4.1. Income is received from the precept, vat claims, and a small amount from allotments.

4.4.2 Vat is recorded on the monthly payment sheets and on the expenditure summary sheet showing all payments to be claimed for the year and is to be paid into the Council's bank account. VAT reclaim was completed for the period 1st April 2025 to September 2025 paid into the bank account on 12th December 2025 and October 2025 to March 2026 is to be submitted.

4.4.3. There is a current account held by Sacriston Parish Council, which reconciled at the end of the year to the Income and Expenditure records, and an allotment Association Community Account is held by the Council which records income and expenditure for the allotment association.

4.5. Accounting Records

4.5.1. The Council records all expenditure on a spreadsheet under the different budget headings.. Bank reconciliations are carried out monthly and reported to Council.
The Allotment association is not separate from the Council but has a bank account c/o the Parish Clerk, with the Council reconciling the income collected and expenditure.

4.6. Security/Assets

4.6.1. There is an inventory held of all assets, which is approved with the statement of accounts.

4.7. Debtors

4.7.1. There are no accounts raised for debts.

4.8. Budgetary Control

4.8.1. The budget for the year 2026/2027 and the setting of the precept was discussed at the Finance Meeting in November 2025 and approved at the 7th January 2026 Council meeting.

4.8.2. Budgetary control for 2025/26 was carried out throughout the year.

5. Conclusions/Recommendations

5.1. The Internal Controls within the Parish Council are satisfactory with no recommendations made.

5.2 The Parish Council currently runs the Allotments association and therefore a decision should be made whether the Allotment Association is controlled by the Council and one bank account is required or if the Allotment Association wants to be separate from the Council, then arrangements should be made.

G. Fletcher

Gordon Fletcher (C.M.I.I.A.)
Internal Auditor to the Council
Date: 19th May 2026