

Public Sector Audit

Wrawby Parish Council

Internal Audit Report for the year ended 31 March 2026

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Introduction

Part 2, paragraph 5 (1) of the Accounts and Audit Regulations 2015 imposes a duty on Local Councils 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 audit is a key component of the system of internal control. The purpose of internal audit is to review whether the systems of financial and other controls over a council's activities and operating procedures are effective.

At the request of the council I have conducted an Internal Audit review of the council's accounting records in respect of the financial year ended 31st March 2026. I have acted independently and, on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in place during the financial year.

The audit has been carried out in accordance with the council's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions and recommendations have been recorded in the table below.

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Prioritisation of recommendations

In accordance with good internal audit reporting practice and the Governance and Accountability for Local Councils Practitioners Guide, the recommendations contained in this report have been prioritised. The following 'traffic light' system for the prioritisation of recommendations has been adopted: Page | 3

- Significant weakness in internal control requiring urgent attention.
- Moderate weakness in internal control requiring attention within the current year.
- Minor weakness in internal control, or matters of good practice the council may wish to consider, to be addressed within the current year.

Distribution List

Chairman of the Council

All Members of the Council

Clerk to the Council

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The findings of the audit are summarised below

	Test	Findings and Recommendations
1	Have appropriate books of account been properly maintained throughout the year?	<p><u>Appropriate accounting records</u></p> <p>Findings The council's accounts are maintained on spreadsheets which record receipts and payments during the year.</p> <p>They are sufficiently analysed to provide all the information required for the completion of the Annual Governance and Accountability Return (AGAR).</p> <p>The cash book is balanced to the 31st March 2026 and two-monthly reconciliations confirm that the cash book and bank balances are in agreement.</p>
2	Have the council's Financial Regulations and Standing Orders been formally adopted and complied with?	<p><u>Adherence to Financial Regulations and Standing Orders</u></p> <p>Findings The council approved its Standing Orders and Financial Regulations at its Annual Meeting held on the 19th May 2025.</p> <p>Both Standing Orders and Financial Regulations reflect the latest NALC Models.</p>
3	Are payment controls effective and VAT properly accounted for? Has the council recorded s137 expenditure separately and is it within the statutory limit?	<p><u>Adequate payment controls</u></p> <p>Findings I have tested all payments to ensure that they are fully approved and authorised, the payments appear in the cash book and they have been reported to council. I have also reviewed for completeness, accuracy, correct year of account, classification in the council's accounts, compliance with Financial Regulations and the correct treatment of VAT.</p> <p>Quotations in respect of the Play Park were forwarded to audit for review and verification.</p>

		<p>A total of £4,515 has been identified as s.137 expenditure. All expenditure is appropriate and the total paid in the year is less than the statutory annual limit.</p> <p>All council payments were paid by BACS. All invoices are signed as authorised by two council members and all payments are reported to council for approval.</p>
4	<p>Has the council assessed the significant risks in delivering its activities and services and regularly reviewed the adequacy of these assessments?</p> <p>Is insurance cover appropriate and adequate?</p> <p>Are financial controls documented and regularly reviewed?</p>	<p><u>Assessment of significant risks</u></p> <p>Findings</p> <p>The council's General and Financial Risk Assessment was approved at the council's Annual Meeting held on the 19th May 2025.</p> <p>The council's Health and Safety Policy was also reviewed and approved at the same meeting.</p> <p>The emergency lighting and fire extinguishers were inspected during the year and PAT testing has also been undertaken.</p> <p>A Fire and Major Incident Risk Assessment was undertaken during September 2024.</p> <p>The council contracted with a RoSPA approved company to inspect the Playing Field during the year. The inspection was undertaken on the 2nd September 2025 and the Clerk has confirmed that the report arrived too late for submission to council owing to the new play equipment already having been installed.</p> <p>The playground is inspected weekly and more detailed inspections are undertaken quarterly. Inspection sheet completed since November have been submitted to audit for review and verification. The inspection sheets identify the equipment inspected, the date and person carrying out the inspection, the findings and any action found necessary. They do not, however, record when remedial action was completed. This was raised during the audit and the Clerk has confirmed that a column for remedial actions will be added for the May 2026 council meeting.</p>

		<p>I have reviewed the council's insurance policy and the indemnity limits are adequate.</p> <p>The Clerk has confirmed that all electronic data is backed up to cloud and a memory stick which is located in a secure place. The council's computer is password protected but the memory stick is not. In the event of loss, sensitive information could be available to a third party.</p> <p>Recommendations</p> <ul style="list-style-type: none"> ● The column to be added to the play inspection sheets should identify the work completed and the date of completion. ● The council's memory stick used for the backup of electronic data should be password protected as a matter of some urgency.
5	<p>Has the annual precept requirement resulted from an adequate budgetary process?</p> <p>Has progress against budget been regularly monitored and reported and were reserves appropriate?</p>	<p><u>Adequate budgetary process</u></p> <p>Findings</p> <p>A detailed budget, which identified all income and expenditure, was prepared for 2025/26 and a Precept of £16,466.63 was agreed.</p> <p>Interim, two-monthly, budget monitoring reports were presented to each council meeting during the year. They identify the original budget and actual receipts and payments to date together with a narrative column for each budget head.</p> <p>The council's balances at the 31st March 2026 totalled £3,670. This equates to 21% of the current year's Precept requirement. The level of balance is considered by the Government to be extremely low for a council the size of Wrawby Parish Council.</p> <p>Recommendation</p> <ul style="list-style-type: none"> ● When setting future years' Precepts the council should be mindful of the Government's guidance to Local Councils (sections 5.33 to 5.37 of the 2025 Governance and Accountability Guide) regarding the minimum

		level of general balances. The general reserve of a council comprises its cash flow and contingency funds to cover unexpected inflation, unforeseen events and unusual circumstances; sufficient contingency funds should be held to mitigate against the possibility of such events occurring.
6	<p>Was all expected income fully received in accordance with the current scale of charges, properly accounted for and promptly banked?</p> <p>Were security controls over cash and cash equivalents effective?</p>	<p><u>Adequate income controls</u></p> <p>Findings Apart from the Annual Precept, the council also received two VAT refunds, an NLC grant in respect of the Play Park, an In Bloom grant, donations and the reimbursement in respect of 3rd Party funding for the Play Park and bank interest.</p> <p>Documentary evidence in respect of the income received during the year has been agreed to the cash book .</p>
7	<p>Were petty cash payments appropriate and supported by receipts?</p> <p>Was all expenditure approved and reported to members?</p> <p>Has VAT been correctly accounted for?</p>	<p><u>Appropriate petty cash controls</u></p> <p>Findings The council does not maintain a petty cash system.</p> <p>Any items purchased by Council Members and the Clerk have been reimbursed via the council's payments system.</p>
8	<p>Do all employees have contracts of employment with clear terms and conditions?</p> <p>Are salaries to employees and all other payments and allowances paid</p>	<p><u>Adequate payroll controls</u></p> <p>Findings The council's Clerk received a contract of employment which contains clear terms and conditions.</p> <p>I have agreed all gross pay during the year to the Clerk's terms and conditions in the contract of employment and the 2025/26 NJC pay award including back pay from the 1st April 2025.</p>

	<p>in accordance with council approvals?</p> <p>Has PAYE and NI been correctly deducted and paid to HMRC?</p>	<p>Payments in respect of working from home Allowance have been reviewed and approved by council.</p> <p>The Clerk is subject to PAYE and NI regulations and statutory deductions have been correctly paid to HMRC.</p>
9	<p>Is the Asset and Investment Register complete and accurate and reviewed on a regular basis?</p>	<p><u>Appropriate recording of assets</u></p> <p>Findings</p> <p>The council maintains a formal Asset Register in the recommended format. It was presented to and approved by council on the 19th May 2025.</p> <p>Following the audit, purchases during the year have been added to the register at the correct valuation excluding VAT and a nominal £1.00 when an asset has been gifted to the council.</p> <p>Recommendation</p> <ul style="list-style-type: none"> ● The revised Asset Register, as a result of the Internal Audit, should be re-presented to the council for review and approval during the current financial year.
10	<p>Were bank reconciliations performed on a regular and timely basis?</p> <p>Has a year-end reconciliation been performed and balanced?</p> <p>Have all bank reconciliations been reviewed by an appointed member and evidenced as such?</p>	<p><u>Adequate bank reconciliations</u></p> <p>Findings</p> <p>A year-end and six interim bank reconciliations were prepared throughout the year and presented to each council meeting for review and approval.</p> <p>In accordance with best practice and as a key element of sound financial control, the Chair, when authorising the monthly bank reconciliations, also signs against the respective month-end bank balances on the bank statements to indicate that he/she has checked that both are in agreement.</p> <p>The reconciliations contained no unusual or balancing figures and I have agreed all reconciliations during the year to the cash book and the bank</p>

		The year-end reconciliation has been separately documented for External Audit purposes. I have agreed the reconciliation to the cash book, bank statements and the AGAR.
11	<p>Were Accounting statements 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, were debtors and creditors properly recorded?</p> <p>Has the previous Internal Audit Report been submitted to council and actioned as necessary?</p>	<p><u>Correct accounting basis and previous Internal Audit Report actioned</u></p> <p>Findings</p> <p>The External Auditor has recently confirmed to another council that, following the annual appointment of the council's Internal Auditor, a formal letter of appointment should be issued to the appointed auditor (reference para. 4.13 of the 2025 Practitioners' Guide).</p> <p>The year-end statements have been prepared on the correct accounting basis (Receipts and Payments) and, therefore, debtors and creditors have not been included.</p> <p>The statements agree with the cash book and there is an audit trail from the cash book to the year-end statements.</p> <p>Following amendment during the audit, the total value of assets shown on the Asset Register agrees to the declaration in box 9, Fixed Assets, on the amended year-end Accounting Statement.</p> <p>The 2024/25 Internal Audit Report was presented to the Annual Meeting of the council on the 19th May 2025. The minutes record that the report was received and the recommendations noted.</p> <p>Recommendation</p> <ul style="list-style-type: none"> ● The council should, following the annual appointment of its Internal Auditor, issue a formal letter of appointment to the appointed auditor.
12	If the council certified itself as exempt from an External Audit Limited Assurance Review last year,	<p><u>Exemption Certificate</u></p> <p>Findings</p> <p>Form 2, the Exemption Certificate part of the Annual Governance and Accounting Return, confirms that the council's gross income and gross annual expenditure for 2024/25 did not exceed £25,000. The council did,</p>

	has it met the exemption criteria and correctly declared itself exempt?	therefore, correctly complete an Exemption Certificate in respect of 2024/25 and declare that it met the eligibility criteria for exemption at the Annual Council Meeting held on the 19th May 2025.
13	Did the council publish information on a website/webpage, up to date at the time of the internal audit, in accordance with the Transparency code for smaller authorities?	<p><u>Transparency Code</u></p> <p>Findings</p> <p>I have reviewed the Council's website and confirmed that all required information has been published in respect of 2024/25, in accordance with the Transparency Code.</p>
14	Did the council correctly provide, during the summer, the proper opportunity for the exercise of public rights in accordance with the requirements of the Accounts and Audit Regulations 2015?	<p><u>Exercise of Public Rights</u></p> <p>Findings</p> <p>I have confirmed by a review of the council's website that, during the summer of 2025, the council correctly provided the proper opportunity for the exercise of public rights in accordance with the requirements of the 2015 Accounts and Audit Regulations.</p>
15	Did the council comply with the publication requirements for the previous year's AGAR?	<p><u>Publication Requirements</u></p> <p>Findings</p> <p>I have reviewed the council's website and confirmed that the council published the correct documents as required by the Accounts and Audit Regulations 2015.</p>
16	Has the council complied with laws, regulations & proper practices relating to digital and data compliance?	<p><u>Digital and Data Compliance</u></p> <p>Findings</p> <p>The council's email address and website are compliant - i.e., .gov.uk, .org.uk or another council owned suffix.</p> <p>The council's website complies with the accessibility guidelines in accordance with WCAG 2.2AA.</p> <p>➤ It has an Accessibility Statement.</p>

		<p>The council has an IT Policy.</p> <ul style="list-style-type: none"> ➤ It was last reviewed and approved by the council on the 21st July 2025. ➤ It applies to all individuals who use the council's IT resources, including computers, networks, software, devices and data resources including access to .gov.uk email and any associated digital storage. <p>The council has a CCTV Data Protection Policy and the Clerk has confirmed that a formal Data Protection Policy will be presented to the council in May for review and approval.</p> <ul style="list-style-type: none"> ➤ A Data Protection Policy is a set of guidelines that organizations implement to ensure the secure and compliant processing of personal data. It outlines how data is collected, stored, processed, and shared, as well as the rights of individuals whose data is being handled. <p>Recommendation</p> <ul style="list-style-type: none"> ● The council should adopt a formal Data Protection Policy as soon as is practical.
17	Has the council met its responsibilities as a Trustee?	<p><u>Trustee responsibilities</u></p> <p>Findings</p> <p>I have seen no evidence that the council has responsibility for Trust Funds and the Clerk has confirmed this to be the case on the year-end Accounting Statements.</p>

Executive Summary

In a very busy year for the council the overall management of the council has been good and the hard work of the Clerk is duly acknowledged.

The audit has, however, identified some governance and procedural matters requiring attention and appropriate recommendations have been made. The consideration and adoption of the recommendations will strengthen the systems, procedures and governance arrangements already in place.

The Internal Audit has been conducted in accordance with the Governance and Accountability for Local Councils – Practitioners Guide 2025.

I confirm that I have no relationship or interest, financial or otherwise, with any member or officer of the council.

The assistance of the Clerk during the audit was much appreciated.

Richard Dixon

Public Sector Audit

18th April 2026

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