Annual Internal Audit Report 2025/26

HADNALL PARISH COUNCIL

www.hadnallparishcouncil.gov.uk

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.			✓
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: 6/5/26

Name of person who carried out the internal audit: R L GROOME

Signature of person who carried out the internal audit: Richard Groome

Date: 6/5/26

***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 HADNALL PARISH COUNCIL 6.5.26

I have examined the records and administration methods via your Clerk, Alison Utting, including:

- Bank reconciliation between stated balances and actual in bank
- Expenditure approval processes
- Assessment of Risks and agreed Risk Register
- Supporting invoices
- Proper treatment and payment of VAT
- Annual budgetary process
- Precept setting and receipt
- Income received and any required treatment of grants
- Salary and PAYE arrangements for the Clerk
- Appropriate asset register
- General accounting statements, Day Books, explanation of significant variances, annual report for external audit
- Assertion 10 compliance including IT policy, website, data management
- Publication requirements

I am satisfied that all the above are in good order and have no observations nor reservations on any detail therein (but note the reservation below). I am also content that the Clerk has made the Council aware of the current financial systems and procedures in place and the Council are comfortable with these.

One item not covered in my audit was Petty Cash (there is none).

We noted that the current £60k Fund is earmarked for an Older Children's Leisure facility, and a Community Led Plan is currently being actioned to shape this proposal.

A matter of concern is the lack of councillors (4 at the current count) which the Council should take steps (by co-option) to address. Any further loss of councillors would lead to the Council becoming inquorate. A second matter of concern is that one councillor has not activated his Hadnall Parish Council email address, which appears to be non compliant with the Council's Data and IT policies and could lead to non compliance with Assertion 10.

R L GROOME Internal Auditor