

COCKSHUTT CUM PETTON PARISH COUNCIL

INTERNAL AUDIT REPORT FOR FINANCIAL YEAR 2025/6

INTRODUCTION

As the Council's internal auditor, I am appointed to independently carry out an examination of areas which meet the internal control objectives as listed on page 4, the Annual Internal Audit Report section, of the Annual Governance and Accounts Return (AGAR) for the year ended 31st March 2026. This involves testing the Council's compliance with the assertions on p.4 of the AGAR, referring to best practices as outlined in the SAPP Practitioners' Guide 2025, published March 2025.

I have carried out a mid-year internal audit of areas which I can examine at this point in the year; this involves checks relating to the Transparency Code and publication of last year's AGAR, as the deadlines associated with publishing this information are by 1st July and 1st October 2025. I also checked for periodic bank reconciliations. The checks were carried out on 25th January 2026.

I have now carried out an internal audit of all areas listed on the AGAR IA report. I present my final report for your consideration.

I would like to thank Lynda for her assistance.

Should you have any queries with this report please do not hesitate to get in touch.

DETAILED FINDINGS & RECOMMENDATIONS

This report takes each of the Internal Audit statements on p.4 of the AGAR in turn and assesses if the council has complied with it. The report outlines the areas covered during the internal audit which support the Annual Internal Audit Report section of the AGAR. Under each section, the report states if it is my opinion, as Internal Auditor, that the control has been met. Recommended areas for attention are highlighted.

A. Appropriate accounting records have been properly kept throughout the financial year?

The primary accounts record is in the form of an Excel Receipts and Payments cashbook. Accounting records were found to be accurate and provided an adequate audit trail. A sufficient analysis of accounting records existed within the cashbook, with items being categorised according to budget categories. The accounting statement provided as at 31/3/2026 corresponded with the cashbook.

Internal control objective met? YES

Recommendations: None.

B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for?

Standing Orders and Financial Regulations were reviewed in February 2026, and this is confirmed in the minutes. The ones published online though are dated May 2025. The council has adopted the new model Standing Orders and Financial Regulations.

VAT was appropriately accounted for and recorded separately in the cashbook.

A sample of payments were tested to the cashbook, supporting invoices, bank statements, payroll documentation and council minutes.

I saw the grounds maintenance contract which was last reviewed in 2024.

Payments for the year - £21,736.56

Internal control objective met: YES

Recommendations: None.

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these?

The Risk Assessment is fit for purpose and adequate and was reviewed in-year in March 2026, as confirmed in the minutes.

Internal control objective met: YES

Recommendations: None.

D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate?

In-year budget monitoring was carried out, and budget monitoring reports are presented to Council as noted in the minutes.

Budget & Precept for 2026-7

The budget was considered at a series of meetings and a budget and precept set in January 2026. A precept of £20,472 was set. The expenditure budget set was £93,660.55 excluding VAT was set, of which £72,449.55 is planned spend on projects.

Income totals £48,586.55 and in addition to precept includes £600 VAT refund, £100 interest and a carry forward of £26,514.55 CIL from reserves.

Reserves

When setting the budget, the council predicted there would be a total of £78,499.55 in ringfenced reserves. Given that the projected overall balance as at 31.3.26 is £114,511.19 that leaves a non-ringfenced reserve of £36,011.64. Not taking account of projects and c/f from reserves in the 2026/7 budget, the anticipated general/net revenue spend for 2026-7 is £19,161.

At year-end, the council held a total reserve of £94,554.00 of which £74,770 is ringfenced reserves, leaving a general reserve of £19,884.00. The planned net revenue spend for 2026-7 (i.e. general spend not including capital projects) is £21,211. Therefore, general reserve is just below a year's net revenue

spend which is within the SAPP guidance range of 3 to 12 months of net revenue spend in general reserves.

Internal control objective met? YES

Recommendations: None.

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

Total receipts for the year were £23,047.96

Receipts comprise of precept £20,720 (matching precept request), interest £1,321.26, VAT refund £938.93 and miscellaneous income £67.77. A sample of receipts were tested and they were supported by remittance advice and tallied to the cashbook.

Internal control objective met? YES

Recommendations: None.

F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for?

No cash is held.

Internal control objective met: N/A

Recommendations: N/A

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

The clerk works 7 hours a week at SCP17 (£16.08 per hour). The council resolved in September 2025 to join the LGPS (SCPF) and the clerk is a member of the pension scheme. The resolution states the membership was backdated to 1st April 2025 but the clerk advises it commenced a few days later at start of 2025/6 tax year.

Gross annual salary due (not taking account of pension) is £5,869.22 based on SCP17 x 7 hrs per week x 52.143 weeks. Payments to the clerk in cashbook total £5,492.59, plus employee pension contributions of £318.32 and employer pension payments of £1,064.89. Employer NI / tax of £129.75 is due; a net sum of £97.32 has been paid due to adjustments made to payments to HMRC to account for overpayments.

Employee pension is due to be deducted at 5.5% of salary, totalling £318.32. When submitting returns to HMRC the 5.5% should be taken off gross salary before reporting amount paid to HMRC. This has not happened and the amount has been reported before deducting employee pension contributions. Employer pension is due at 18.4% on gross salary. I am confused as to why main CARE pay for pension purposes is £5,787.68 when the P60 shows total salary paid of £5,869.20. The clerk states that pension was only applied from start of 2025/6 tax year but the difference between CARE pay and P60 figures is too large to fully explain this. This is further complicated by the fact the amounts have been reported incorrectly to HMRC as explained in the previous paragraph.

Regarding pension, the reconciliation sheet matches the total paid in the cashbook.

The council's pension re-enrolment date was December 2025 and the declaration was completed on 22nd July 2025.

Members did not receive allowances during the year.

Internal control objective met: NO

Recommendations:

- **The council should re-calculate salary back to start of 2025-6 taking account of my comments above and then correct the submissions with HMRC and SCPF as needed.**

H. Asset and investments registers were complete and accurate and properly maintained.

The Council's fixed asset register/inventory was examined, assets recorded as totalling £. It was dated as at 31.03.26 and has been updated in-year.

The Council's insurance policy, provided by Clear Councils covers from 1st June 2025 to 30th May 2026.

Internal control objective met: YES

Recommendations: None.

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

I can see from the minutes that bank balances are regularly reported to Council. I have seen a periodic bank reconciliation covering to end of September 2025 and the supporting bank statements; the balances reconcile.

I have checked the end year bank reconciliation and confirm the reconciled balance to be £94,554.53 as at 31.3.26.

Internal control objective met: YES

Recommendations: None.

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.

The AGAR, Statement of Accounts has been correctly compiled on a receipts and payments basis based on the cashbook, supported by underlying records such as invoices and remittance advice slips.

Internal control objective met? YES

Recommendations: None.

K. If the authority certified itself as exempt from a limited assurance review in 2024/5, it met the exemption criteria and correctly declared itself exempt?

The Council fully met the exemption criteria, which included having annual gross income and annual gross expenditure values each below £25,000. Council resolved to approve the certificate at the 12th June 2025 meeting; the AGAR and related paperwork were also approved at this meeting.

Internal control objective met? YES

Recommendations: N/A

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?

The Transparency Code for Smaller Authorities states that, by no later than 1st July in the year to which it relates, the authority must publish:

- Details of all items of expenditure over £100
- End of year accounts:
 - Bank reconciliation for the relevant financial year,
 - An explanation of any significant variances (e.g. more than 10-15 percent) in the statement of accounts for the relevant year and previous year
 - An explanation of any differences between 'balances carried forward' and 'total cash and short term investments', if applicable
- Annual Governance Statement;
- Annual Internal Audit Report;
- List of councillor responsibilities e.g. committees and outside bodies they sit on;
- Location of public land and building assets
- Minutes, agendas and papers of formal meetings (publish agendas within required clear days and draft minutes within 30 days of meeting).

I checked the website on 25th January 2026 and the requirements had been complied with.

Internal control objective met? YES

Recommendations: None.

M. In the year covered by the AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations?

The authority prepared a notice of exercise of public rights, and it was published on the website within the correct timeframe. There is a minor typo on this as highlighted below – the year the notice relates to is wrong at the top of the notice; however, the dates for exercise of public rights are correct so I am satisfied there was a period for exercise of public rights, within the correct timeframe.

The notice states: "NOTICE OF PUBLIC RIGHTS AND PUBLICATION OF ANNUAL GOVERNANCE & ACCOUNTABILITY RETURN (EXEMPT AUTHORITY)

ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2023"

This was corrected online to "31st March 2025" after I did the initial check in January 2026.

Internal control objective met: YES

Recommendations: Check notice for accuracy in future years.

N. The authority has complied with the publication requirements for the 2024/5 AGAR?

The authority must do the following:

Before 1st July, the authority must publish:

- Certificate of Exemption
- Annual Internal Audit Report
- Section 1 AGAR – Annual Governance Statement
- Section 2 AGAR- Accounting Statements
- Analysis of variances
- Bank reconciliation
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

Internal control objective met: YES

Recommendations: None.

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

This is a new test for 2025/6 and it relates to Assertion 10 which is detailed in the SAPPP guide, published March 2025.

In order to assess this assertion, I have considered the council's compliance with a number of areas. My overall conclusion is below and I have also commented in more detail on the sub-areas I considered.

Internal control objective met overall: YES

Overall, I conclude that assertion O has been met but would ask the council to review the recommendations below as it is borderline. However, I have taken a light touch approach as this is the first year of Assertion 10 and what I am looking for is overall signs of working towards it rather than full compliance.

Recommendations: See below

Comments in detail:

1. **Email domain – at least the main contact email (usually the clerk's) must be owned by the council and link to a role as opposed to an individual's name e.g. clerk@cockshuttcuppetton-pc.gov.uk not lynda@cockshuttcuppetton-pc.gov.uk**

The council's email domain is @cockshuttcuppetton-pc.gov.uk and the clerk uses clerk@cockshuttcuppetton-pc.gov.uk. All councillors also have .gov.uk emails.

Compliance test met: YES

Recommendations: None

2. **Does the council have an IT policy?**

The council has adopted an IT policy, adopted April 2026 which is not within the 2025/6 audit year.

Compliance test met: NO

Recommendations: Ideally the policy would be adopted before year-end. Please review annually thereafter.

3. All smaller authorities (excluding parish meetings) must meet legal requirements for all existing websites regardless of what domain is being used. Does the council have an accessibility statement and is it regularly updated? Does the council carry out accessibility testing?

The council has a website. There is an accessibility statement and evidence of testing but both are dated April 2026, so were not done within 2025/6 audit year. All websites must meet the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 (where applicable).

Compliance test met: NO

Recommendations:

- **Update accessibility statement each year.**
- **Reference which version of the WCAG you have assessed the website against.**
- **Retain evidence of testing which should be done at least annually.**

4. Data protection

a) Data Protection - are regular data audits conducted to identify what personal data is held, how it is used and make sure it is processed lawfully?

The council has a data audit checklist

Compliance test met: YES

Recommendation: Do annually.

b) Does the council have a Data Protection Policy on data handling, storage and sharing

The council has the following policies:

- 1) Privacy policy
- 2) Data Protection Policy
- 3) Records Management Policy

Compliance test met: YES

Recommendation: None

c) Does the council provide regular training to ensure all staff and members are trained on data protection principles and practices?

Councillors have considered data protection principles and practices in year as demonstrated by review of policies. Hence, they are aware of data related duties, but I have not seen training records.

Compliance test met: PARTIALLY.

Recommendation: Arrange training programme.

d) Does the council secure data using appropriate technical and organisational measures to protect personal data from breaches?

This is referenced in the policies referred to under point b and the IT policy.

Compliance test met: YES

Recommendations: None.

e) **FOI Publication Scheme – does the council have a publication scheme that confirms to the ICO model?**

The council adopted the publication scheme and published a table of information available in 2017.

Compliance test met: YES

Recommendations:

- **The policy has not been reviewed for 9 years and I'd recommend it is reviewed annually.**

f) **Does the council meet the requirements of the Transparency Code?**

See detailed comments on assertion L.

Compliance test met: YES

Recommendations: None.

P. Trust funds (including charitable) – The council met its responsibilities as a trustee?

To the best of my knowledge, the Council does not act as a sole trustee for managing a Trust fund or asset.

Internal control objective met: N/A.

Recommendations: N/A.