

Annual Internal Audit Report 2025/26

Elsham PC

www.elshamparishcouncil.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>SEE CHECKLIST</i>		✓	
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. <i>WEBSITE ACCESSIBILITY NOT UPDATED.</i>		✓	
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 Name of person who carried out the internal audit

18/04/2026

23/04/2026

24/04/2026

Brian Kenneth Brooks

Signature of person who carried out the internal audit

BKBrooks

Date

24/04/2026

*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).

ERNLLCA Internal Audit Checklist 2025/26

Name of Parish or Town Council		ELSHAM PC	
Parish Council website		www.elshamparishcouncil.gov.uk	
Name of internal auditor		Brian Brooks	
Date of audit		April 2026	
Type of audit		Intermediate	Year-end (including AGAR) Y
Council contact information		Name	Email
Clerk		Louise Price	clerk@elshamparishcouncil.gov.uk
RFO* if different			
Chairman*		Cllr S van Oosterhout	Cllr.svanoosterhout@elshamparishcouncil.gov.uk
Electorate	349	Total number of seats	6
Quorum	3	Number of seats filled at time of audit	6
Precept Demand 2025/26	£ 8 K	Gross budgeted Income	£ 15,802
Date of most recent audit	April 2025	Gross budgeted Expenditure	£ 16,530
		Tested?	Comments
Has the internal auditor seen previous internal and external audit reports including the most recent? What were the main recommendations?		Y	Website Accessibility requires update to WCAG2.2AA as of November 2024
Were the auditor reports and actions implemented? Have the actions appeared in the minutes? (SAPPP The Practitioners Guide para 5.99)			Date minuted and minute reference(s)

Key governance review		Tested?	Comments & recommendations	Risk ¹		
				Low	Med	High
1	Standing Orders* (latest version, tailored, reviewed and lawful)	Y	Updated and Approved APCM May 25	x		
2	Financial Regulations* (latest version, tailored, reviewed and lawful)	Y	Updated and Approved APCM May 25	x		
3	Terms of reference (committees / working groups) (Agenda - clear days' notice, quorum, no individual councillors making decisions)	Y	Personnel Committee 3 Cllrs ToR 25/26-0508q	x		
4	Councillors' Code of Conduct*	Y	Reviewed	x		
5	Complaints procedure* (tailored and reviewed)	Y	Reviewed	x		
6	IT Policy	Y	Min 2511/11j 20 Jan 26	x		
7	Website complies with (WCAG) 2.2AA standards and Website Accessibility Statement reviewed and published online* https://www.gov.uk/guidance/accessibility-requirements-for-public-sector-websites-and-apps	Y	WCAG2.1AA Tested 23/01/23 <i>as advised in 24/25 AIAR</i>		x	
8	Council registered with the ICO and Publication scheme (up to date, tailored, reviewed and lawful) available on the council website*	Y	Min25/26 -0508 24/02/26	x		
9	GDPR policies in place* <ul style="list-style-type: none"> • Data Record Retention Schedule • Data Breach Policy • Privacy Notices • Rights Requests Policy (Subject Access Request) • Data security policy 	Y	Adopted June 2018 min 25/26 -0508m	x		
10	General Power of Competence (decision compliant with S.1-8 Localism Act 2011 and 'The Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012'). <ul style="list-style-type: none"> • Date and minute reference GPC adopted • Qualified Clerk? (CILCA 2015 or later or Level 4 Community Governance or higher qualifications seen) • Two-thirds elected councillors at the time of adoption during the current cycle. 	Y	N/A	x		
11	Arrangement for inspection of public records adequate* (Announced at least one day after parish council approval, announced at least one day ahead of inspection period, minuted approval by council of inspection period dates - 30 working days including first 10 working days of July).	Y	Public Rights Notice min 2506/11c 3 rd June - 14 th July	x		

12	External audit report published by 30 Sept on the council website (not applicable to councils validly certified as 'Exempt'.)* (TPG para 5.81- 5.84 also see guidance notes on front of applicable AGAR form)	Y	N/A - Exempt	x		
13	Insurance Cover <ul style="list-style-type: none"> Reviewed annually for levels of cover Certificate(s) viewed & valid Employees' Liability Cover in place and published* Public Liability Cover Employees' Fidelity Guarantee Councillors' ages reviewed and recorded (some policies restrict some or all cover over certain ages) Other e.g. vehicles, assets, equipment, volunteers Compare schedule against asset register and ensure adequate insurance is in place for items to be covered. Public liability insurance must match the PLI for any delegated services, assets (£10million) Any insurance claims during the previous 12 months which may affect the policy and valuations and cover. 	Y	Reviewed / Renewed min 0512h	x		

Transparency		Tested?	Comments & recommendations	Risk		
				Low	Med	High
14	End of year accounts published by 1 July*	Y	APCM May 25	x		
15	Annual Governance statement published by 1 July* Correctly claimed exemption from audit (if relevant)	Y		x		
16	Documents listed on front page of AGAR form published as specified.	Y		x		
17	Past 5 years of annual returns available online*	Y		x		
18	Asset register published by 1 July*	Y		x		
19	Annual publication of Members Allowances, Subsistence and Travel expenses paid in the financial year. (<u>Local Authorities (Members' Allowances) (England) Regulations 2003 regulation 31</u>)	Y	Cllr travel recorded in minutes	x		
ICO Model Publication Scheme expected requirements:		Y	FoI min 25/26-0508s	x		

20	All items of expenditure above £100 published by 1 July (over £500 for larger Councils)	Y	PC Minutes	x		
21	Councillor responsibilities published by 1 July	Y	APCM Minutes	x		
22	Draft minutes published within one month of the meeting	Y		x		
Councils over £200K turnover:		N/A		x		
23	Senior officer salaries published*			x		
24	Data on issues important to local people (eg.subsidised trade union activity, projects, parking, grants)*			x		
25	Procurement information over £5,000 published*			x		

Accounting		Tested?	Comments & recommendations	Risk		
				Low	Med	High
26	Cashbook maintained and up to date	Y		x		
27	Arithmetically correct (checks / balance)	Y		x		
28	Evidence of internal control (compliant with Standing Orders and Financial Regulations and TPG 1.14-1.21)	Y		x		
29	VAT* • evidence of recording • evidence of reclaiming	Y	Paid £ 828.62 Reclaim £ NIL	x		
30	All payments supported by authorised, minuted invoices	Y	Sampled 10, 24, 38, 84, 112	x		
31	s.137* (last resort power for non-GPC councils) • Recorded separately within accounts • Within legal threshold limits for the current year • Spend in accordance with legislation	Y	Total £695 recorded in Mins & Payment.	x		
32	Payments made in accordance with Financial Regulations • Cheques • Online banking • BACS • Direct Debit • Credit or debit cards • Other payments	Y	On-Line Banking	x		

Budget		Tested?	Comments & recommendations	Risk		
				Low	Med	High
33	Annual budget in support of precept approved by full council and minuted*	Y	min 24/25 1010	x		
34	Precept demand properly minuted*	Y	min 24/25 1010	x		
35	General and earmarked reserves reviewed and sufficient (TPG 1.13, 2.10-11, 4.21 Table D, 5.31-5.39, 5.208)	Y	Recommend Review Policy and implement		x	
36	Budget is monitored regularly with variances reported to council in line with Financial Regulations. Variances from budget explained	Y	Monthly PCM's	x		

Income control		Tested?	Comments & recommendations	Risk		
				Low	Med	High
37	Income properly recorded and banked promptly	Y		x		
38	Precept income received in bank account	Y		x		
39	Effective security of cash and cash transactions	N/A		x		
40	Effective security of card transactions	N/A		x		

Bank reconciliation		Tested?	Comments & recommendations	Risk		
				Low	Med	High
41	Regular bank balances minuted and bank statement reconciliation and signed off by members and minuted.	Y	PC Minutes	x		
42	Balancing entries (adjustments) explained	N/A		x		
43	Bank mandate up to date -Evidence of signatories reviewed and minuted	Y	N/W - min 2506/11f Recommend Urgent Review			x

Petty cash		N/A	Comments & recommendations	Risk		
				Low	Med	High
44	Petty cash account used/authorised			x		
45	Petty cash spending supported by VAT receipt(s)			x		
46	Petty cash reported to Council			x		
47	Petty cash float reconciled/reimbursed			x		

Asset control		Tested?	Comments & recommendations	Risk		
				Low	Med	High
48	Register of assets* <ul style="list-style-type: none"> Exists Reviewed and up to date Published 	Y	Reviewed min 25/26 - 0508p Box 9 + £3,080 Fin Summary = £ 2,736.15 ? View Reg 25/26 - 6 items = £ 2,259.40 ?	x		
49	If Investments total over £100,000 an Investment Strategy has been adopted and ensure long-term investments for 12+ months are recorded in the Asset Register. (LGA 2003 s.15(1)(a) TPG 2.26-2.29 & 5.185-5.194)	Y		x		
50	Assets inspected and Health & Safety issues considered* <ul style="list-style-type: none"> Play equipment Street furniture Defibrillators 	Y		x		
51	Land and property registered with HM Land Registry. https://www.gov.uk/government/publications/registering-local-authority-land-and-property-with-hm-land-registry/register-local-authority-land-and-property	Y	None	x		

Risk management		Tested?	Comments & recommendations	Risk		
				Low	Med	High
52	Risk Register / Management scheme in place	Y	Min 25/26-0514g	x		
53	Annual risk assessment undertaken as a minimum	Y		x		
54	Financial controls and procedures documented	Y		x		
55	Regular financial reporting to Council in line with Financial Regulations	Y		x		
56	Grants ratified and minuted according to policy	Y	Recommend adopting	x		
57	Evidence of unusual activity from minutes	Y	Min2506/17 Subject Access Requests	x		

General		Tested?	Comments & recommendations	Risk		
				Low	Med	High
58	Back up of files adequate	Y	Pc & External Hard drive	x		
59	Storage of files (paper and electronic) adequate	Y	Locked Filing Cabinet in VH	x		
60	Cyber security measures in place	Y	Vision ICT & Kyanite	x		
61	Local Council Award Scheme applicable?	N/A		x		

Proper Process / Practice		Tested?	Comments & recommendations	Risk		
				Low	Med	High
62	<p>List of Members' interests*</p> <ul style="list-style-type: none"> • Displayed/linked on council website • reviewed regularly (Members have a statutory requirement to complete and report changes within 28 days of change) • Interests declared in meetings and members follow Standing Orders and Code of Conduct • Dispensations approved as set out in Standing Orders and minuted. 	Y	Min 2509/04	x		
63	<p>Declarations of Acceptance of Office*</p> <ul style="list-style-type: none"> • Councillor (after election/ co-option) • Chair (at least annually) 	Y	APCM 25/26-0501	x		
64	Co-options (after eligibility and disqualification checks) approved by vote, minuted and according to policy	Y	Cllrs M Percy & M Lilley May 25 Cllr. M Everett Jan 2	x		
65	Agenda signed, specified & displayed with 3 clear days notice*	Y		x		
66	<p>Minutes lawful and published/ hard copy signed*</p> <ul style="list-style-type: none"> • Apologies noted or resolved to be accepted? • Member absent for 6 months handled correctly? • Minutes sequential? • Members present and not present recorded • Interests correctly minuted and members leave room in accordance with Code of Conduct and Standing Orders (Ss27-33 Localism Act 2011) • Dispensations applied for and granted in accordance with ? Standing Orders (S.33 Localism Act 2011) • Resolutions are minuted and stated with clarity. 	Y		x		
67	<p>Confidential items correctly used and resolutions minuted and published</p> <p>Public Bodies (Admission to Meetings) Act 1960 S.1(2)</p>	Y		x		
68	Council-owned email address account in place TPG 1.47 (not gmail/outlook etc)	Y	clerk@elshamparishcouncil.gov.uk	x		
69	Purchase order system used/correct	N/A		x		
70	Purchasing authorised in line with Financial Regulations / limits	Y		x		
71	<p>Council operating within legal powers*</p> <p>Best practice to include legal power in resolutions of council.</p>	Y	Best practice to include legal power in resolutions of council	x		

72	Delegation to officers or committees <ul style="list-style-type: none"> • Lawful delegation (an individual councillor does not have decision-making powers – S.101 Local Government Act 1972) • Limits set out in financial regulations and / or standing orders or policies or schemes of delegation; • adhered to; • reported adequately 	Y		x		
----	--	---	--	---	--	--

Payroll & HR		Tested?	Risk			
			Comments & recommendations	Low	Med	High
73	Employee posts properly approved/ recorded/ correct job descriptions in place for each post holder and amendments are confirmed by letter. <ul style="list-style-type: none"> • Proper Officer (Clerk) • RFO 	Y	LP only employee Clerk / RFO 14/03/25			
74	Public sector IR35 rules applied where applicable https://www.gov.uk/guidance/off-payroll-working-for-clients	N/A	x			
75	Right to work checks for employees completed https://www.gov.uk/check-job-applicant-right-to-work	N/A	x			
76	Written statement of particulars for all staff from day one (April 2020 onwards) https://www.gov.uk/employment-contracts-and-conditions/written-statement-of-employment-particulars and amendments to contracts confirmed in writing*	N/A	x			
77	Proper procedures for payroll, PAYE & NI registered with HMRC and monthly reporting of RTI and Pensions*	Y	Sampled			
78	Is payroll inhouse or external provider used?	Y	In-house		External	Auttella
79	PAYE & NI payments spot checked - calculations	Y	Sampled 30			
80	Employers Allowance – Councils are not eligible – payroll system checked.	N/A	x			
81	Approval of salaries and increments minuted	Y	Min 2507/15 3month review			
82	Approval of expense claims, - including checking claim accurately covers journeys made	Y	Sampled 43			

83	Minimum wage threshold met	Y		X		
84	HR procedures and policies adopted / reviewed Disciplinary policy* Grievance policy* Sickness absence/Anti-bullying and harassment	Y	APCM 2025 min 25/26-508i	X		
85	Training policy and records for staff & Members	Y	Recommend adopting a Policy	X		
86	Probation review completed for new staff within probation period.	N/A		X		
87	Annual appraisals undertaken	Y		X		
88	Job description up to date / reviewed	Y		X		
89	Health and safety policy* (5 or more employees) Display Screen Equipment* PUWER / Manual Handling/ COSHH	N/A		X		
90	Registered with The Pensions Regulator* Reference number	Y	Recommend check with Autela Date of (Re)Declaration of Compliance (every 3 years)	X		
91	Adequate Pension provision in place to meet statutory requirements https://www.gov.uk/employers-workplace-pensions-rules	N/A		Tick	X	
				Tick		
			Other	Identify		
				16/02/2026	X	
• Automatic Enrolment for Staff*						
	• Opt-Out Evidenced*	Y		16/02/2026		

	Year End Process	Y/N	Comments & recommendations	Risk		
				Low	Med	High
92	Accounting method correctly applied • Income and expenditure – mandatory over £200k for 3 years • Receipts and payments	Y	Receipts and Payments	X		
93	Bank statement opening and closing balances reconcile to cash book / ledger.	Y		X		
94	Robust audit trail evident	Y		X		
95	Debtors and Creditors recorded (I&E accounting method only)	N/A		X		

96	Asset register updated for current and previous year balances	Y		X		
97	Borrowing – ensure appropriate DMO approval in place and full year accounting is accurate and checked against balance at 31 st March on DMO website. (TPG5.70) Arrangement fees are treated as administrative expenses in year of receipt.	N/A		X		
98	Lending - check if any lending has taken place and is accounted for	N/A		X		
99	Explanation of Variances completed	Y		X		
99	Intermediate audit recommendations implemented	N/A		X		
100	Annual Accounting Statement rounding applied/adds up	Y		X		
101	Trust Funds – ensure account filing responsibilities are up to date and not included in AGAR figures	N/A		X		
102	The council has ticked the appropriate box regarding trust funds ('no' where not all responsibilities discharged or N/A if not a sole managing trustee)	Y	N/A	X		
103	Previous year 'Restatements' correctly identified	N/A		X		
104	Auditor's recommendations for completion of the Annual Governance Statement (if applicable) and narrative report needed to explain IA Annual Statement's 'No' entries.	N/A		X		

	Play Areas & Open Spaces	Tested?	Comments & Recommendations	Risk		
				Low	Med	High
O1	Play equipment regularly checked	Y	Monthly checks record at PCM's	X		
O2	Annual safety check carried out by RPII accredited person	Y	NLC SLA x2 / yr	X		
O3	Tree surveys conducted	Y	No Trees	X		
O4	Signs displayed	Y		X		

End notes

High and medium risk items may lead to the internal auditor stating that the Council does not comply with one or more assertions on the AGAR form at the end of the financial year.

¹ **High risk** – these items should be dealt with as a high priority because they may affect one or more of the following – statutory and must be done, high financial risk which could reveal the council to losses, not compliant with Proper Practices in the Practitioners' Guide, high risk of reputational damage, failure to comply may lead to penalties, prosecution or legal action.

Medium risk – these items need to be improved to meet one or more of the following - statutory requirements, support internal control, reduce the risk of financial loss and reputational damage, improve governance, improve compliance with proper practices in the Practitioners' Guide, and to improve procedures that should be in place.

Low risk – these items are usually best practice to improve governance, internal control, transparency, efficiency and effectiveness.

*-Asterisked items are statutory requirements and should be in place where applicable.

Transaction spot check (Sample test transactions such as largest payment, employee salaries, direct debit, S.137, VAT, Councillors payment, etc)

Check number	1	2	3	4	5	6
Ledger date						
Item / budget heading						
Reference / Cheque number						
Order minute reference						
Delivery evidence						
Payment minute reference						
Invoice value						
Minute value						
Payment value						
Statement value						
Timely payment						
VAT recorded						
S137 recorded in ledger						
S137 minuted						
Notes/ recommendations						

Please note – Transactions sampled in the specific sections