



Edenham, Grimsthorpe, Scottlethorpe & Elsthorpe Parish Council
c/o 14 Scottlethorpe Road
Edenham
Bourne
PE10 0LN

28 April 2026

For the Attention of the Parish Council Chairman and all Members,

Annual Internal Audit Report for year ended 31 March 2026

As per our ongoing letter of engagement, I have conducted a selective assessment of the Council's accounting records, practices and internal control systems as required Annual Governance & Accountability Return (AGAR) Annual Internal Audit Report objectives, and the associated legislation.

My assessment has been carried out in line with the 2025 edition of the Smaller Authorities Proper Practices Panel (SAPPP) Practitioners' Guide. The proper practices set out in the first two sections of the guide must be applied by smaller authorities in the financial year ending 31 March 2026 and for the associated AGAR.

Particular attention has been paid to the areas highlighted in the reports for the 2024/25 annual IA and the 2025/26 interim IA.

Findings

I can confirm that your Clerk/RFO continues to maintain clear and organised records.

In addition to the routine tasks, some of the previously rated negative internal controls have been addressed, such as ensuring employee salaries meet the National Living Wage requirements and the correct amount of PAYE and NI paid, and all of the overpayments have been recovered. Also, some processes have been further improved, such as a dedicated spreadsheet created to account for VAT.

Due to very limited employment hours, and despite the best efforts of the Clerk/RFO, there are still some internal control areas that need to be addressed, for which the Council is ultimately responsible.

With limited funds, the need to keep costs low is understandable but, in resolving to continue employing the Clerk/RFO at only 72 hours per year, the Council must accept that not everything can be left to the Clerk/RFO, and an alternative is required; such as councillors taking a more active role in completing some of the tasks, such as reviewing the policies for Council approval, updating the website, etc.

Once again, I have been unable to respond positively to every one of the internal control objectives stated in the 2025/26 AGAR. These are:

- **Objective F.** I have been informed that the Council does not hold petty cash or a cash float, and there is no evidence in the accounts to contradict this. Therefore, this objective has again been annotated 'Not covered'.
- **Objective L.** Not all of the required documentation to comply with the relevant legislation has been published, therefore, I have again responded 'No' to this objective. Missing documents include year-end bank reconciliations, analysis of variances for multiple years,

and Council explanations for non-positive responses in the IA Reports, and how they will be addressed.

In addition, the restated figures for 2022/23 still need to be annotated as such in the 2022/23 column on Section 2 on the website version of the 2023/24 AGAR, and there are also still no responses to AGS 9 (Trust Funds), and the statement relating to the website/webpage publication of 'Information required by the Transparency Code' at the bottom of the AGS page. This may also be the same on the hardcopy version.

- **Objective N.** This objective relates specifically to the 2024/25 AGAR. As with the comments on Objective L above, the Bank Reconciliation, Analysis of variances, explanations for the 'No' responses to the Annual Governance Statements and Annual IA Report, and how they will be addressed, have still not been published; this objective is also annotated 'No'.
- **Objective O.** This is a new objective to specifically confirm that the authority has complied with laws, regulations & proper practices relating to digital and data compliance.

Although a lot of work has been done, including the review and publishing of Data Protection and IT Policies, I was unable to determine if a formal data audit had been carried out. I have also been informed that work to create dedicated email addresses on an authority owned domain was ongoing but, this was not in place at the time of the IA.

Section 1 para 49 of the Practitioners' Guide, states that all websites must meet the Web Content Accessibility Guidelines (WCAG) version 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018. The website accessibility had been tested on 27 April, and the statement updated. However, it states that it is only partially compliant with version 2.1 AA of the WCAG.

Information should be published in HTML format wherever possible to enable it to be easily understood by anyone with accessibility needs. When reviewing the content in line with the WAG, a lot of the information, especially the policies, were only available as a link to a pdf document (e.g., Financial Regulations and Standing Orders), rather than being webpages (e.g., Transparency Code and Data Protection Policy). In addition, I could find no record of the Council being registered with the ICO. This is a requirement for any organisation processing personal information.

Based on these findings, I have annotated 'No' to this objective.

- **Objective P.** (Trust Funds). Based on the information provided, the Council does not hold any trust funds so, I have annotated this objective 'Not applicable'.

Comments and opinions

Based on the rest of the AGAR, and the other Council documents and records that were available to me, I have the following comments and opinions:

- **Certificate of Exemption.** The total annual gross receipts and payments (income and expenditure for 2024/25 are both below £25,000 therefore, the Council is eligible to certify itself exempt from a limited assurance review.
- **S.137 Expenditure.** The £700 spent by the Council under Section 137 of the Local Government Act 1972, is below the allowable limit of £11.10 per elector for 2025/26. Clearly annotating the individual transactions relating to spending authorised under this power will make it easier to identify and monitor throughout the year.
- **Cheque Book.** Once again, no payments were made by cheque during 2025/26. The cheque book was still provided and all unused cheques remain in the book.

- Councillor checks. I have noted that checks of the receipt and payments invoices, and the bank statements are being regularly carried out, and signed for by a councillor. The checks should also be dated to provide an audit trail of when they were carried out.
- Contacts. Although there are contact details for the current councillors contained in the website councillor vacancy notice, these are not included on the 'Contact' page at the website footer.
- Bank Mandate. The bank mandate has once again not been available for review as part of this IA. The Council needs to prioritise satisfying itself that only current and authorised staff and councillors are included on the mandate, and that it provides sufficient flexibility of signatories to cover for absences, especially those of the Clerk/RFO.
- Contracts of employment. Although elements of the Clerk/RFO contract have been reviewed, resolved by the Council, and Minuted, a revised contract was not available.
- Redacting personal data. I have previously requested that my signature and address is redacted from the website version of the documents. However, there are still published documents showing this information. Please ensure that this is actioned as soon as possible.

I have completed the AGAR Annual Internal Audit Report for 2025/26 in line with this report, and will forward the signed copy to your Clerk. However, if you, or the Council would like to discuss any of the points raised, please do not hesitate to contact me.

Prior to completing the Annual Governance Statements in Section 1 of the 2025/26 AGAR, please remember that the Council must satisfy itself that it has applied the 'proper practices', met the requirements of the latest legislation, and has the evidence to support a 'Yes' answer to each one of the statements. If Council resolves to respond 'No' to any Statements, an explanation of the reasons, and how any weaknesses will be addressed, needs to be published along with the AGAR.

Once again, please pass on my thanks to your Clerk/RFO for her ongoing assistance. All of the records were provided promptly and without hesitation, and all questions answered openly and honestly.

Yours sincerely,



Mrs V M Free
Copy to Clerk/RFO