



SHAW-CUM-DONNINGTON PARISH COUNCIL

INTERNAL AUDIT REPORT FOR THE YEAR ENDING 31 MARCH 2026

13 May 2026

INTRODUCTION

This internal audit report is based upon the JPAG (Joint Panel on Accountability and Governance) Governance and Accountability for Smaller Authorities in England 2025 publication.

Internal auditing is an independent, objective assurance activity designed to improve an organisation's operations. It helps a council accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

It is not the detailed inspection of all records and transactions of the Council in order to detect or prevent error or fraud. The objective of the internal audit is to determine whether the accounting arrangements, procedural controls, records, and documentary evidence are adequate to ensure the accurate and timely recording of financial transactions, so as to comply with all relevant legislation and best practice.

The scope of the audit covers, as a minimum, the areas included in the Internal Audit Report contained in the Annual Governance & Accountability Return and the Transparency Code.

This report covers the activities of the Parish Council during the financial year 2025/26.

Selective testing was conducted, and the relevant policies, procedures and controls were reviewed. Inspection of digital documents, paper records and scrutiny of the parish council website were used to reference findings.

The matters raised in this report are only those which came to my attention during my internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

FINDINGS

Observations	Recommended Action
Accounting Records	
The Council uses a comprehensive spreadsheet to record financial transactions. Expenditure and income have been accurately recorded and well maintained throughout the year. The sample of financial transactions checked was satisfactory.	No further recommendations.
Financial Regulations and Expenditure	
The Council has complied with its Financial Regulations and VAT has been reclaimed promptly.	Update standing orders and financial regulations based on the 2025 NALC model documents.
Risk Management	
The council has undertaken an appropriate review of risk within the financial year and has an adequate level of insurance. The internal controls are satisfactory.	No further recommendations.
Budgetary Controls (Precept Requirement)	
The annual precept requirement resulted from an adequate budgetary process, and was recorded in the minutes of the meeting on 21 January 2026.	No further recommendations.
Budgetary Controls (Budget monitoring)	
The level of general reserves are appropriate and have been considered by the council. Budget reports have been regularly reviewed by the council.	No further recommendations.
Income Controls	
Expected income was fully received and properly recorded.	No further recommendations.
Petty Cash Controls	
Petty cash is not operated by the Council.	No further recommendations.

Payroll Controls	
Salaries to employees were paid in accordance with Council approvals, with appropriate deductions applied.	No further recommendations.
Asset Register	
The current asset register has correctly recorded all material assets as at 31 March 2026 and the correct valuation basis has been applied. At the time of the audit, there was a difference in the declared value of the asset register on the AGAR compared with the spreadsheet as at 31 March 2025.	Ensure value of asset register on the spreadsheet and the AGAR are the same for the previous financial year end.
Bank Reconciliations	
Periodic and year-end reconciliations were carried and reported to council. The council has bank balances in excess of £100,000 and there is an appropriate investment strategy in place.	No further recommendations.
Accounting Statements	
The Accounting Statements prepared during the year were prepared on the correct basis and were supported by an adequate audit trail.	No further recommendations.
Limited Assurance Review Exemption	
The authority does not meet the exemption criteria.	No further recommendations.
Information Published on the Website	
The authority has a free to access website with information in accordance with the Freedom of Information Act. It also publishes much of the information required by the Transparency Code 2015, as best practice.	It is best practice for all supporting meeting papers to be available with the agenda.

Period for the Exercise of Public Rights	
The Council correctly provided for the exercise of public rights in 2024/25, as evidenced by a copy of the public notice and the meeting minutes.	No further recommendations.
AGAR Publication Requirements	
AGAR documents are available on the website for the previous five financial years.	No further recommendations.
Trust Funds (if applicable)	
The Council does not operate as a trustee.	No further recommendations.
Digital and Data Compliance	
The council has complied with the requirements, including testing its website accessibility; having a generic email address on an authority-owned domain; having appropriate IT and data protection policies and completing a data audit within the last financial year.	No further recommendations.

TRANSPARENCY CODE REQUIREMENTS

As the Parish Council has a turnover between £25,000 and £200,000, it is not required to follow either transparency code, but can do so as best practice.

1) Expenditure exceeding £500	
Payments are available as part of the minutes and expenditure over £500 as a separate document published quarterly.	No further recommendations.
2) Government Procurement Card transactions	
Not applicable.	No further recommendations.
3) Procurement Information	
Not available on website for 2025-26 financial year.	It is best practice to publish details of invitations to tender and agreed contracts to provide goods and/or services with a value over £5,000.

4) Local Authority Land	
An asset map is available on the website.	No further recommendations.
5) Social housing asset value	
Not applicable	No further recommendations.
6) Grants to voluntary, community and social enterprise organisations	
The council has not awarded any grants.	No further recommendations.
7) Organisation chart	
Not applicable	No further recommendations.
8) Trade union facility time	
Not applicable	No further recommendations.
9) Parking account and parking spaces	
Not applicable	No further recommendations.
10) Senior salaries	
Not applicable	No further recommendations.
11) Constitution	
Standing Orders and Financial Regulations are published on the website.	No further recommendations.
12) Pay multiple	
Not applicable	No further recommendations.
13) Fraud	
Not applicable at the time of audit	No further recommendations
14) Waste contracts	

The council has no waste collection contracts.	No further recommendations.
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FURTHER RECOMMENDATIONS

Website Transparency

It was a pleasure to see that the council has considered the matters raised in the 2024-25 internal audit and has taken action. It is best practice for the supporting papers of council meetings to be published on the website as well as the agenda, to aid in the council's transparency with residents.

CONCLUSION

The accounting arrangements, procedural controls, records and documentary evidence are considered to be satisfactory, and represent the Council's financial position.

I recommend that the council updates its Financial Regulations and Standing Orders in line with the 2025 model documents, to reflect the changes in the Procurement Act 2023.

The council may be interested to learn that a digital AGAR form will be available for use from April 2027 onwards, with incentives for early adopters who use it to submit their AGAR for the 2026-27 audit. Further information will be made available closer to the time via GAPTC.

I wish to thank the Clerk for her time and co-operation with this internal audit and reiterate what a pleasure it has been to see the progress made by the council in the past year.

I hope that this report is of help to the Council. If you would like any further assistance or clarification, please do contact me.



Rachel Brown

Internal Auditor