

**INTERNAL AUDIT REPORT  
2025/2026 - ANNUAL RETURN  
FRAMWELLGATE MOOR PARISH COUNCIL**

**1. Background**

- 1.1. Following the abolition of the Audit Commission a new organisation has been established which is responsible for issuing proper practices in relation to the accounts of smaller authorities. It is called the Smaller Authorities Proper Practices Board (SAPPB), and is made up of members of the SLCC, NALC, CIPFA, the Department of Housing, Communities and Local Government (DHCLG), the Department of Environment, Food and Rural Affairs (DEFRA), the National Audit Office and a representative of the external audit firms appointed to smaller authorities.
- 1.2. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 must complete Part 3 of the Annual Governance and Accountability Return (AGAR) at the end of each financial year. The AGAR is made of 3 sections along with an annual internal audit report. which is to be completed by the Parish Council's independent internal auditor, who is to give an opinion of the Parish Council's internal controls.
- 1.3. CDALC had previously provided Councils with an audit checklist to be used, this annual audit uses this list as the minimum of the tests to be carried out.

**2. Objectives of the Audit**

- 2.1. To examine the system of internal controls to ensure that the Parish Council may obtain an adequate level of assurance for its activities.

**3. Scope of the Work and the areas of Audit Work examined.**

- 3.1 The Scope of Work covers the ten key control tests identified in the annual return.
- 3.2. To properly complete the audit the following areas of activity have been examined and tested by Internal Audit:
- Payroll
  - Creditors
  - Risk Management
  - Income collection and Banking arrangements
  - Accounting records,
  - Assets
  - Debtors
  - Budgetary Control (including year end procedures)
- 3.3. The audit findings of this report have been discussed with the Clerk of the Council and any audit recommendations have been agreed with him.
- 3.4. The Council uses the Scribe finance system and I have been given read only access to this and was able to produce the necessary reports to carry out the audit.
- 3.5. The new, current Clerk has ensured that all invoices are attached in Scribe, for examination

**4. Findings**

**4.1. Payroll**

- 4.1.1 The Parish Council has 2 employees who work standard hours with the payroll information completed using the HMRC payroll system. It has been agreed that Jacs accountancy services are to be used to produce the payroll information. A good internal control for the Council
- 4.1.2. All payroll information was checked for the year and was processed correctly, and the amounts were found to be correctly paid direct from the bank and recorded in the accounts.

## **4.2. Creditors**

- 4.2.1. There is no separation of duties at Framwellgate Moor Parish Council as the Clerk is the only Officer responsible for Finance and Administration. Compensating checks are carried out by the Members and Financial Regulations outline the systems which are to be followed.
- 4.2.2 The Council uses Scribe financial system to record all expenditure and a report (Payments list) was downloaded for 2025/26, which was examined and compared to the invoices in Scribe, bank statements, and the current account report.
- 4.2.3. The invoice is attached to the system. (i.e scanned).
- 4.2.4. A transaction list is produced every month in voucher number order so that Members can verify payments against invoices, and this is reported under Financial Matters in the minutes.
- 4.2.5 Using the Payments list from Scribe I can confirm from the sample check carried out that all invoices have been correctly recorded in the Scribe financial system.
- 4.2.6. Any donations require agreement by the Council prior to payment being made and are recorded as Section 137 payments.
- 4.2.7. There is no petty cash held by the Council and any small purchases are carried out by the Clerk using the Parish bank card. There are no payments made by cash which requires reimbursement.

## **4.3. Governance Arrangements**

- 4.3.1. The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and this was approved at the 4<sup>th</sup> February Council meeting.
- 4.3.2. Financial Regulations, and Standing Orders for 2025.26 were agreed and adopted at the AGM (7<sup>th</sup> May 2025) and are to be reviewed every year at the AGM for the coming years.
- 4.3.3 There appears to be adequate insurance cover for all assets of the Council.
- 4.3.4 The Risk register and asset register are agreed with the statement of accounts.
- 4.3.5. Various policies are reviewed when necessary and agreed by Council,.
- 4.3.6. The announcement of the public rights for 2024/25 was announced 30<sup>th</sup> May 2025 with the inspection of the. Accounts were available between 3<sup>rd</sup> July to 14<sup>th</sup> July 2025 and was placed on the Council's website.

## **ASSERTION 10**

1<sup>st</sup> April

Policy reviews – Data protection, accessibility statement and privacy notice

4<sup>th</sup> Mrch 2026

Assertion 10 – to register for CDALC Data protection training plus policy updates

The Council has commenced using .gov.uk email address.

## **4.4. Income**

- 4.4.1. Any Income received is usually received direct to the bank and recorded in Scribe for receipts in voucher number order with Invoices raised for bookings. The invoice number is recorded under the Voucher number in Scribe. All had been properly recorded.

- 4.4.2. I can confirm that all income received has been promptly banked, and properly recorded.
- 4.4.3. Vat is recorded in the Scribe system and is shown in reports. A report is produced by the system when claiming back vat which is claimed every quarter.
- 4.4.4. I agreed to the reconciliation of the bank statement at the end of the year to the records as at 31<sup>st</sup> March 2026

**4.5. Accounting Records**

- 4.5.1. All Receipts and Payments were properly recorded in Scribe and regular bank reconciliations are carried out which are submitted to Members monthly, with the bank statements being confirmed by the Chair.

**4.6. Security/Assets**

- 4.6.1. The register of assets for 2025/26 has been updated and completed and will be presented with the statement of accounts at the AGM.

**4.7. Debtors**

- 4.7.1. The Council raises invoices for bookings to enable customers to pay by Bacs. Payments are recorded on the invoices and were received promptly. A sample check was carried out.

**4.8. Budgetary Control and Budget Setting**

- 4.8.1. Budget monitoring reports for the year showing income and expenditure were reviewed by Members monthly along with bank statements which are confirmed by the Chair.
- 4.8.2. The precept and budget estimates for the coming year were discussed and agreed at the 3<sup>rd</sup> December 2025 Council meeting. The annual budget was prepared to support the precept.
- 4.8.3. Any review of fees is discussed as part of the budget setting process.

**5. Conclusions**

- 5.1. All of the key controls contained within the internal audit section of the AGAR were examined and these were found to be working satisfactorily.

**6. Recommendations**

- 6.1. There are no recommendations.



**Gordon Fletcher (C.M.I.I.A.)  
Internal Auditor  
Date:**