

Annual Internal Audit Report 2025/26

SPARHAM PARISH COUNCIL

www.sparhamparishcouncil.gov.uk AVAILABLE WEBSITE/WEBPAGE ADDRESS


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. 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.	✓		
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: 09 02 26, 10 04 26

Name of person who carried out the internal audit: DI DANN

Signature of person who carried out the internal audit: 

Date: 10 04 26

*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).

Sparham Parish Council

Internal Audit Report

For Sparham Parish Council

Financial Year 25/26

Prepared by Di Dann, CiLCA , FILCA, PIALC qualified

9th April 2026

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I have completed an internal audit of the accounts for Sparham Parish Council for the year ending 31st March 2026

My findings are detailed below using the tests provided in the **Governance and Accountability (England) March 2025**

I would like to thank the Clerk/RFO for providing me with all the information required for the Internal Audit.

Internal control	Test	Observations
Proper bookkeeping	Is the cashbook maintained and up to date?	Yes
	Is the cashbook arithmetically correct?	Yes
	Is the cashbook regularly balanced to the bank?	Yes
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Yes
	Do the Financial Regulations comply with the financial details in Standing Orders?	Yes
	Date Standing Orders last reviewed	9/25
	Date Financial Regulations last reviewed	9/25
	Has a Responsible Financial Officer been appointed with specific duties?	Yes
	Is this evidenced in a Job Description?	Yes
	Have goods over £5000 been competitively purchased?	
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes
	Has VAT on payments been identified, recorded and reclaimed?	Yes 24/25 rec'd
	When was the last reclaim submitted?	25/26 submitted
Has s137 expenditure been approved and separately recorded and within statutory limits? (where applicable)	N/A	

Internal control	Test	Observations
	Has a councillor been appointed as an Internal Control Officer?	No
Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	No
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme?	Yes 9/25
	Does the Scheme detail all potential risk areas?	Yes
	Is insurance cover appropriate and adequate?	Yes
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes 11/25 item 16.d
	Has the precept been calculated from the budget and been approved?	Yes
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget reported to the council during the year as well as at budget time?	Yes - at every meeting
	Are there any significant unexplained variances from budget?	No
Income controls	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Yes

Internal control	Test	Observations
	Are security controls over cash and near-cash adequate and effective?	No Petty Cash or cash handled
Payroll controls	Do all employees have contracts of employment with clear terms and conditions?	Yes
	Do salaries paid agree with those approved by the council?	Yes. Salary review 9/25
	Are salaries above the National Living Wage/Minimum Wage?	Yes
	Are other payments to employees reasonable and approved by the council?	Yes
	Have PAYE/NIC been properly operated by the council as an employer?	Yes
Asset controls	Does the council maintain a register of all material assets owned or in its care?	Yes
	Are the assets and Investments registers up to date? When were these last reviewed?	Yes 9/25
	How are asset valuations recorded?	Replacement cost
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes

Internal control	Test	Observations
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes
	Are there any unexplained balancing entries in any reconciliation?	No
	Does the end of year bank reconciliation include all cash held?	Yes (2 bank accounts)
Year-end procedures	Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes (R & P)
	Do accounts agree with the cash book?	Yes
	Do accounts include a comparison to the previous year?	Yes
	Have variations (+/- 15%) been detailed numerically and quantitatively?	Yes
	Date AGAR to be considered by Council	12 th May 2026
	Where appropriate, have debtors and creditors been properly recorded?	N/A
Procedural	Appointment of the IA has been agreed – minute reference	Yes 9/25 13.b
	Have points raised on the last Internal Audit report been considered by council and actioned?	Yes 13 th May 2025 16.d
Transparency: For smaller councils	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes

Internal control	Test	Observations
with turnover under £25,000	Payments over £100 detailed on website?	Yes (in Minutes)
	Electors' rights advertised on website?	Yes
	Councillors' responsibilities detailed on website?	Yes
	Last financial year's AGAR on website?	Yes
	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	Yes (on Asset Register)
Box 10 Assertion	Data Protection Policy in place?	Yes
	Generic e mail account hosted on an authority owned domain?	Yes
	Accessibility Statement on the website?	Yes
	Council registered with the ICO	Yes
	Is there an FOI Publication Scheme?	Yes
	Is it on the website?	Yes
	Is it regularly updated?	Every third year (see below)

Summary of my recommendations:

FOI Publication Scheme

This document should be reviewed annually. Include the IT Policy in Class 5 at next review.