INTERNAL AUDIT REPORT – 2025/2026
TOGSTON 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 not exceeding £25,0000 must complete Part 2 of the Annual Governance and Accountability Return (AGAR) at the end of each financial year and complete an exemption form. The AGAR is made of 3 sections along with an annual internal audit report. which is t o be completed by the Parish Council's independent internal auditor, who is to give an opinion on the Parish Council's internal controls. Hawthorne Parish Council completed Part 2 of the AGAR, and a Certification of exemption is completed with the Statement of Accounts.

2. Objectives of the Audit

2.1. To examine the system of internal controls with regard to the AGAR and 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 control tests identified in in the AGAR and no other internal audit work was carried out.

3.2. The following areas of activity have been examined and tested by the Internal Auditor:

- Payroll
- Creditors
- Risk Management
- Income collection and Banking arrangements
- 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

4. Findings

4.1. Payroll

4.1.1 The Parish Council has 1 employee (Clerk) and works standard hours per week and the payroll provider is Northumberland County Council who submit invoices for payment.

4.1.2. I examined the wages paid to the Clerk and the deductions payable to HMRC for the financial year 2025/2026 and all payments had been correctly made and accounted for.

4.2. Creditors

4.2.1. There is no separation of duties regarding Finance and Administration at Togston Parish Council, as the Clerk is the Officer responsible. Compensating checks are carried out by Members, who agree the payment of accounts each month as recorded in the minutes and carry out budgetary control.

4.2.2. Paragraph 6.5.3 in Standing orders state that the RFO will examine invoices and verify and certify the expenditure. This is not being carried out.

4..2.3. There is no petty cash held at the Parish Council, and any payments to the Clerk for postage and administration expenses are reimbursed on receipt of invoices at the end of the year. This was found to be correct.

4.3. Governance including Risk Management

4.3.1. The annual governance statement and statement of accounts are reviewed and agreed at the May meeting of the Council. A review of the Financial Regulations, Standing Orders are reviewed at the Annual General meeting each year. The Council has a risk register but needs reviewing as it is out of date,

4.3.2. There has been no review of the effectiveness of internal control carried out, which should be carried out in accordance with the Accounts and Audit Regulations 2015

4.3.3. Policies and procedures are reviewed when required and adopted at the Councils May meeting.

4.3.4. The Parish Council has a very small budget with only 1 employee, and therefore its risks are very considered low.

4.3.5 The announcement of the public rights for 2024/25 was announced at the 30th June 2025 and commenced on 30th June to 8th August 2025

4.3.5 I cannot confirm that the Council has conformed with Assertion 10 requirements as I cannot see if the relevant policies have not been reviewed and agreed during the year.

4. Income collection and Banking arrangements

4.4.1. During the year income for the Council was from the precept. Allotment rents and bank interest.

4.4.2. Vat is not recorded on the payment spreadsheet kept by the Clerk and no vat reclaim has ever been submitted

4.4.3. Allotment rents are paid by BACS to the Council in April and May

4.4.4. The Council has 1 bank account:

- A Current account

4.4.6. I reconciled the bank statements at the end of the year to the Receipts and Payments record.

4.5. Accounting Records (including bank reconciliation)

4.5.1. Bank statements are reconciled by the Clerk to the receipts and payments records

4.6. Security/Assets

4.6.1. There is an Inventory of assets which is reported to Council with the annual statement of accounts.

4.7. Debtors

4.7.1. The Council receives income from allotment rents.

4.8. Budgetary Control and Budget Setting

4.8.1. The precept and budget were initially discussed at the 7th November 2025 Council meeting and was agreed for the coming year, and budget setting was discussed at a Council meeting on 9th January 2026x and agreed, where the review of allotment rents were discussed

4.8.2. A review of budgetary control is carried out to assist the budget setting process and reported to Members.

5. Conclusions

5.1. The Internal Controls covered regarding the AGAR within the Parish Council are not satisfactory for the size of the Council.

6. Recommendations

6.1. See 4.2.2 – The Clerk should sign and date each invoice and show the date submitted to Council for payment

6.2. See 4.3.2. - A review of the Statement on Internal Control should be carried out annual around March each year.

6.3. See 4.3.5. – The Council during the year should ensure that it conforms to the guidance regarding Assertion 10 and review and adopt the relevant policies.

6.4. See 4.4.2. – VAT should be recorded on the expenditure record of all payments made and a claim submitted annually to reclaim vat. As it appears no claim as ever been submitted the Council could claim for the last 6 years if they have the relevant records and invoices.

G. Fletcher

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Internal Auditor,
Date: 16th June 2026