Narrative Internal Audit Report

to be read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return 2025 - 2026

Name of Authority:	GREETHAM PARISH COUNCIL		
Name of Internal Auditor:	DEBORAH ROLFE	Year ending:	31 March 2026
Date audit carried out:	17/04 AND 11/05	Date of report:	11th MAY 2026

As internal auditor, I confirm that I am independent of your authority and competent as required by the Smaller Authorities Proper Practices Panel (SAPPP) *Practitioners Guide*. I confirm that I have no connection with your authority that will conflict with my role as internal auditor and that I am not involved in any aspect of decision-making, management or control of your authority.

Internal audit is the periodic independent review of an authority's internal controls. This should result in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the authority's internal controls should be a day-to-day function through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of an authority to detect error or fraud. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.

The proper practices referred to in the Local Audit and Accountability Act 2014 and Accounts and Audit Regulations 2015 are set out in the *Practitioners Guide.* This is a guide to the accounting practices to be followed by local councils which sets out the appropriate standard of financial reporting to be followed.

- Section 4.11 of the *Practitioners' Guide* asserts that the personal, financial and professional independence of the appointed person or firm should be reviewed every year.
- Section 4.16 requires that authorities should carry out a review of the effectiveness of their overall internal audit arrangements, at least once each year.
- In addition, section 1.38 specifies that the authority is required to have considered all matters brought to its attention by its external auditor and internal audit and taken corrective action as appropriate.

Failure to take appropriate action may lead to a qualified audit opinion.

This report is addressed to your chair for circulation to all members. It should be considered in a meeting of the full council or parish meeting.

To the Chair of Greetham Parish Council

I undertook a review of Greetham Parish Council's accounts, records, policies and procedures for the financial year ending 31st March 2026, following which I completed and signed the Annual Internal Audit Report, of the Annual Governance and Accountability Return 2025/26 Form 2.

Through a virtual meeting with the Clerk and by inspection of information publicly accessible via the Council's website, which was not easy to navigate, although I understand that a new website will be introduced soon, I was able to review aspects of the Council's systems including payroll, bank reconciliations, risk management, Council owned assets, budgetary control and the Exercise of Public Rights.

The report and findings are based on the information that was made available during the course of the audit.

To the best of my knowledge, all accounts and bank balances appear to be in order and accurate based on the information to hand, however, this internal audit does not involve the detailed inspection of all records and transactions of the Parish Council in order to detect error or fraud.

With many thanks to Theresa, Clerk and RFO, who provided all the documents in a timely manner. I have detailed below my recommendations for 2025/2026.

Reports from internal and external auditors 2024-2025

All smaller authorities	
Have comments from the internal audit 2024-2025 been considered and addressed?	
Comment from internal auditor 2024-2025	**Response from internal auditor for this report**
Statutory responsibilities relating to Annul Meeting of Parish Councils.	It is noted in the minutes of the Annual of the Parish Council in May 2024, that the election of Chair was not the first item on the agenda. The first business of the Meeting must be the election of the Chairman. This is a statutory requirement. If no Chairman can be elected the meeting cannot continue beyond this agenda item. COMPLETED
The new assertion 10 relating to digital and data compliance will appear on the Annual Governance Statement for 2025/2026. All town and parish councils will need an IT policy and a generic email account hosted on an authority-owned domain.	It is not a problem if councils do not comply with all aspects of this new assertion yet, however it is advised that Parish Councils review their responsibilities and implement a Policy before the end of the financial year. It is also suggested that using .gov.uk is best practice and documented in paragraphs 5.210 to 5.219(pages 56 & 57) in March 2024 edition of the NALC JPAG Practitioners Guide STILL OUTSTANDNG ALTHOUGH THE PARISH COUNCIL IS NOW USING .GOV EMAIL ADDRESSES
Reserves Policy 2 Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.	The policy had not been reviewed since 2022. It is recommended that the policy be reviewed on an annual basis in line with budget. STILL OUTSTANDING
The Equality Act 2010 legally protects people from discrimination in the workplace and in wider society. The law changed on October 26th 2024 to incorporate 2 further characteristics. A policy is not in place reflecting the changes.	It is the councils duty to be aware of the legislation around discrimination, harassment, and victimisation and what these terms mean. It is unlawful to discriminate directly or indirectly in recruitment or employment because of certain protected characteristics as outlined in the Equality Act (age, disability, sex, gender reassignment, pregnancy, maternity, race, sexual orientation, religion, or because someone is married or in a civil partnership). It is recommended that the council adopt a policy. Template can be found on the NALC website. STILL OUTSTANDING
Please add additional boxes as required. *If the internal auditor had no recommendations or comments, please record None rather than deleting this table.*	

Smaller authorities subject to a Limited Assurance Review for 2024-2025	
Have comments from the external audit 2024-2025 been considered and addressed?	
Comment from external auditor 2024-2025	**Response from internal auditor for this report**
n/a	
Please add additional boxes as required. *If the external auditor had no recommendations or comments, please record None rather than deleting this table.*	

Recommendations from internal auditor 2025-2026

All smaller authorities	
Recommendations for action from internal auditor for this report	
Areas for consideration or improvement	**Recommendation from internal auditor for this report**
DATA COMPLIANCE - The authority complied with laws, regulations & proper practices relating to digital and data compliance.	• Check that website accessibility has been tested, at least annually, and that the accessibility statement has been updated as required. There is no evidence of accessibility compliance on the website. • Check when the authority last completed a data audit. This has not been completed. It is recommended hat the council adopt the Model Publication Scheme. • Ensure the authority has a data protection policy that is reviewed at least once annually. No review has taken place since 2023 • Ensure the authority has an up to date IT policy in place. It is recommended that the Council adopts an IT Policy.
Standing Orders	The Model Standing Orders provide a comprehensive framework of procedural rules for parish and town councils in England. These standing orders are essential for regulating the conduct of council meetings and ensuring orderly and efficient governance. They include mandatory legal requirements and optional guidelines that parish and town councils can adopt or modify to suit their needs. Parish and town councils can ensure transparency, accountability, and consistency in their operations by adhering to these standing orders. The Standing Orders currently being used by the Council could be considered out of date as they have not been altered in many years. It is recommended that the Council review their Standing Orders and consider adopting the new 2025 Model Standing Orders.
CONFIDENTIAL SESSIONS – dealt with appropriately including a resolution to exclude; explanation for reason for exclusion	A meeting of a council must be open to the public and press. They can be excluded from a meeting only by a resolution (whether during the whole or part of the proceedings) whenever publicity would be prejudicial to the public interest by reason of the confidential nature of the business to be transacted or for other special reasons stated in the resolution and arising from the nature of that business or of the proceedings; and where such a

	resolution is passed, this Act shall not require the meeting to be open to the public during proceedings to which the resolution applies. It is desirable to treat the discussion of the following types of business as confidential:- (a) engagement, terms of service, conduct and dismissal of employees (b) terms of tenders, and proposals and counter-proposals in negotiations for contracts (c) preparation of cases in legal proceedings (d) the early stages of any dispute These rules apply equally to committees of the council. The Agenda When confidential (exempt) business is to be discussed there should be an item on the agenda giving details; before that item can be discussed the chairman must close the meeting to the public. Example wording for agenda item: To pass a resolution in accordance with the Public Bodies (Admission to Meetings) Act 1960 to exclude the public and press for discussion re ....* where publicity might be prejudicial to the special nature of the business. It is understood that a session regarding the details and employment of the new clerk was not held in a confidential session.
Reserves Policy 2 Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to have regard to the level of reserves needed for meeting estimated future expenditure when calculating the budget requirement.	Ensure that the Authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process. There is no evidence that reserves have been reviewed or taken into consideration when setting the budget. A budget review took place in November 2025.
The Equality Act 2010 legally protects people from discrimination in the workplace and in wider society. The law changed on October 26th 2024 to incorporate 2 further characteristics. A policy is not in place reflecting the changes.	It is the councils duty to be aware of the legislation around discrimination, harassment, and victimisation and what these terms mean. It is unlawful to discriminate directly or indirectly in recruitment or employment because of certain protected characteristics as outlined in the Equality Act (age, disability, sex, gender reassignment, pregnancy, maternity, race, sexual orientation, religion, or because someone is married or in a civil partnership). It is recommended that the council adopt a policy. Template can be found on the NALC website
Please add additional boxes as required. *If the internal auditor has no recommendations relating to areas to be considered or improved, please record None rather than deleting this table.*	

Annual Internal Audit Report 2025/26

	Internal control objective		Explanation if required
A	*Appropriate accounting records have been properly kept throughout the financial year.*	yes	
B	*This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.*	yes	
C	*This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.*	yes	
D	*The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.*	no	There was no evidence that the council had considered the establishment of specific earmarked reserves or taken them into consideration when setting the budget.
E	*Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.*	yes	
F	*Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.*	Not applicable	No cash payments made
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.*	yes	
H	*Asset and investments registers were complete and accurate and properly maintained.*	yes	
I	*Periodic bank account reconciliations were properly carried out during the year.*	yes	
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.*	yes	
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")*	yes	
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*	yes	
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 2024-2025 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).*	yes	
N	*The authority has complied with the publication regulations for 2024/25 AGAR (see AGAR Page 1 Guidance Notes)*	yes	
O	*The authority has complied with laws, regulations & proper practices relating to digital and data compliance*	no	Full review of data compliance required.
P	*(For local councils only)* *Trust funds (including charitable) – The council met its responsibilities as a trustee*	Not applicable	

Section 2 - Accounting Statements 2025/26

	Year ending		Notes and guidance
	31 March 2025 £	**31 March 2026 £**	*All figures should be rounded to the nearest £. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.*
1. Balances brought forward	10843	11814	*Total balances and reserves at the beginning of the year are recorded in the financial records. Value musty agree to Box 7 of previous year.*
2. (+) Precept or Rates and Levies	20500	20500	*Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.*
3. (+) Total other receipts	2984	3231	*Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.*
4. (-) Staff costs	4606	4706	*Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.*
5. (-) Loan interest/capital repayments	0	0	*Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).*
6. (-) All other payments	17907	14706	*Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).*
7. (=) Balances carried forward	11814	16133	*Total balances and reserves at the end of the year.* ***Must*** *equal (1+2+3) - (4+5+6).*
8. Total value of cash and short-term investments	11814	16133	*The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March –* ***To agree with bank reconciliation.***
9. Total fixed assets plus long-term investments and assets	29801	29801	*The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.*
10. Total borrowings	0	0	*The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).*

For Local Councils only

11. Do the figures in the accounting statements above exclude any trust transactions	Yes	*For guidance refer to the Practitioners' Guide sections 2.31 to 2.33.*

Yours sincerely,

LRALC Internal Audit Service

Debbie Rolfe
LRALC Internal Auditor
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