



18th May 2026

Helen Symmons,
Legra Internal Audit

LegraIAS@outlook.com

2025/26 Internal Audit Report for Fyfield Parish Council

BASIS OF REPORT

This Internal Audit Report is based on the Practitioners' Guide 2025: Governance and Accountability for Smaller Authorities in England.

The scope of this internal audit is focused on assessing the effectiveness of the Council's internal controls, as outlined in the original Letter of Engagement. Where any such controls are found to be deficient, the internal audit aims to support improvement in those processes.

This report should be made available to all Members to support and inform their consideration of the Council's approval of the Annual Governance Statement.

By applying the principles of internal auditing, as set out in the Accounts and Audit Regulations, and following the approach to internal audit testing outlined above, every effort has been made to ensure that the audit has been conducted with due professional care, integrity, and independence. All conclusions are based on objective and traceable evidence.

It is important to note that internal audit should not be viewed as a detailed inspection of all records and transactions to detect error or fraud. Smaller authorities are required under the Accounts and Audit Regulations 2015 to undertake an effective internal audit to evaluate the effectiveness of risk management, control, and governance processes.

Internal audit is therefore a periodic, independent review of a Council's internal controls, resulting in an assurance report designed to improve effectiveness and efficiency. Responsibility for day-to-day internal controls rests with the Council's staff and Members, not the internal auditor.

As Internal Auditor, I confirm that I am independent of the Council's financial management and internal control processes and have no conflicts of interest.

AUDIT REPORT

I reviewed the documentation provided, information published on the Council's website and met with the Clerk on 15th May 2026.

The Precept for the year 25/26 was set at £17,120.

AUDIT POINT	AUDIT FINDINGS	RECOMMENDATIONS & ACTIONS
A. Appropriate accounting records properly kept throughout the financial year		
Bookkeeping Arrangements	<ul style="list-style-type: none"> • <i>Appropriate accounting records are maintained and kept up to date. The Council operates on a Receipts & Payments basis.</i> • <i>The Council uses Xero for their accounting system and this is being utilised appropriately.</i> • <i>Council minutes are up to date, signed and dated.</i> 	Any Committee minutes should also be published to the Council's website.
B. Financial Regulations complied with, payments supported by invoices, expenditure approved, VAT appropriately accounted for		
Document reviews, review of internal controls and decision making.	<ul style="list-style-type: none"> • <i>Standing Orders and Financial Regulations were reviewed during the year and are based on the relevant model documents. These are appropriately published on the Council's website.</i> • <i>No contracts during the year required formal advertisement under procurement legislation.</i> • <i>The Council adheres to its Standing Orders and Financial Regulations in relation to procurement.</i> • <i>A sample of payments was tested and confirmed to be supported by appropriate invoices, with all expenditure properly approved.</i> • <i>Invoices are verified and certified in accordance with Financial Regulations.</i> • <i>Invoices note the power that the Council is using as well as the minute reference of the decision made.</i> • <i>Payment authorisation and banking arrangements are appropriate and in line with Financial Regulations.</i> • <i>VAT is correctly accounted for. No VAT claim was submitted in 2025/26, however, the reclaim is due to be submitted imminently.</i> • <i>Effective controls are in place for processing payments.</i> • <i>The Clerk now uses a Council debit card instead of a personal card following the recommendation in the 24/25 Internal Audit report. The card is securely stored.</i> 	For transparency, once a decision has been made to accept a quotation, the approved supplier/contractor as well as the agreed contract value should be clearly recorded in the minutes.

C. Risk management & Insurance assessed and reviewed and adequate		
Review of internal controls	<ul style="list-style-type: none"> • <i>The Council undertook a review of risk in the year.</i> • <i>Insurance arrangements were reviewed. Fidelity cover is currently £250,000 and considered appropriate.</i> • <i>Appropriate arrangements are in place for managing and reporting operational risk.</i> 	<p>It is recommended that a residual risk column (post-control risk score) is included within the risk register to enhance transparency and ongoing monitoring.</p> <p>It is recommended that the Village Hall and Shed are revalued on a rebuild basis to ensure adequate insurance cover by the Village Hall Committee for the Hall and the Council for the shed.</p>
D. Budget, Precept and Reserves have adequate processes, progress monitored and appropriate		
Review of internal controls, monitoring and decision making	<ul style="list-style-type: none"> • <i>An annual budget was prepared and approved prior to setting the precept.</i> • <i>Budget monitoring during 2025/26 was evidenced in the minutes.</i> • <i>The Council reviewed its reserves and formally created EMRs.</i> 	<p>The precept for 2026/27 is £20,052</p> <p>The General Reserve level should also be considered at the annual budget-setting process to ensure a satisfactory level is maintained.</p>
E. Income fully received, properly recorded, banked and VAT accounted for		
Review of internal controls, banking and VAT accounting	<ul style="list-style-type: none"> • <i>The precept received in 2025/26 agreed to the precept demand.</i> • <i>VAT is not appropriate for the income streams reviewed.</i> • <i>All fees are reviewed appropriately.</i> • <i>Income was received as expected.</i> • <i>Appropriate agreements are in place.</i> 	
F. Petty Cash supported by receipts, approved and VAT accounted for		
Review of internal controls, decision making and VAT accounting	<p><i>A Petty cash system is not operated by the Council.</i></p>	

G. Payroll paid in accordance with approvals and PAYE and NI properly applied		
Review of process, internal controls and decision making	<ul style="list-style-type: none"> • <i>Appropriate contracts of employment are in place.</i> • <i>The Council is registered with HMRC as an employer.</i> • <i>The Council is not registered with the Pension Regulator</i> • <i>Salaries were paid in accordance with Council approvals and PAYE and NI requirements were properly applied.</i> • <i>Staff appraisals are undertaken.</i> • <i>Councillors do not receive allowances.</i> • <i>The salary discrepancy identified in the 2024/25 Internal Audit was corrected and paid during this audit year.</i> 	<p>Consideration should be given to providing a homeworking allowance to the Clerk, as the Council does not have its own office facility. Any amount may be agreed, however, HMRC permits employers to reimburse additional household costs of up to £26 per month for monthly paid employees, tax-free and without the need for supporting evidence, where the relevant homeworking conditions are met.</p> <p>The Council should ensure that it has complied fully with its automatic enrolment duties, including its responsibilities to The Pensions Regulator. Although the Clerk may not qualify for automatic enrolment, the Council still has duties as an employer and must ensure that any right to opt in to, or join, a workplace pension scheme is appropriately communicated and administered.</p>
H. Assets, Investments and Loans complete, accurate and properly maintained		
Review of registers, policies and records	<ul style="list-style-type: none"> • <i>The Council holds an asset register which is up to date and assets were inspected internally during the past year for risk.</i> • <i>An Investment Strategy is not applicable at present.</i> 	
I. Bank Reconciliations carried out properly during the year		
Review of internal controls	<i>The Clerk completes bank reconciliations, and an independent Councillor check is undertaken in accordance with Financial Regulations. However, this review is not reported to Council.</i>	Financial Regulation 2.6 should be adhered to in full.
J. Accounting Statements prepared on correct basis, agreed to cash book, supported by audit trail		
Review of process	<ul style="list-style-type: none"> • <i>Appropriate accounting procedures are used and can be followed through from working papers to final documents.</i> • <i>End of year accounts were prepared on a Receipts & Payments basis.</i> • <i>Figures were checked to Council's records.</i> 	

K. Limited Assurance Review in 2024/25 - criteria met and correctly declared exempt		
Criteria review	<i>The Council did not meet the criteria for exemption from a Limited Assurance Review.</i>	
L. Website publishes required information, is up to date and in accordance with relevant legislation		
Review of published information on website	<ul style="list-style-type: none"> • <i>Neither the Local Government Transparency Code 2015 nor the Transparency Code for Smaller Authorities applied to the Council in 2025/26.</i> • <i>Three years of minutes & agendas are published to the Council website.</i> • <i>Five years of AGAR information is available on the website.</i> • <i>There are contact details for all Councillors on the website.</i> • <i>An ICO publication scheme is published to the website.</i> 	<p>The ICO's publication scheme guidance indicates that reports presented to Council meetings should be routinely available, subject to any lawful exemptions from disclosure. The Council should therefore review whether meeting reports are being published consistently alongside agendas and minutes where appropriate.</p> <p>The Publication Scheme should be reviewed annually along with various other Policies, unless Standing Order 5j is amended.</p>
M. Exercise of Public Rights correctly provided for		
Review of 2024/25	<i>In 2024/25, the Council correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.</i>	
N. AGAR publication complied with		
Review of 2024/25	<i>The Parish Council complied with the publication requirements for the 2024/25 AGAR.</i>	
O. Digital and Data Compliance with relevant laws, regulations & proper practices		
	<p><i>The Council has demonstrated compliance with relevant legal and best practice requirements relating to digital and data compliance:</i></p> <ul style="list-style-type: none"> • <i>The Council has a generic email address on the Council-owned domain.</i> • <i>There is an Accessibility Statement on the Council's website which indicates that the website is compliant with WCAG 2.2AA.</i> • <i>A Data Protection Policy has been adopted.</i> • <i>An IT policy has been adopted.</i> 	It is recommended that a data audit be completed annually and presented at future internal audits.
P. Trust Funds – The Council met its responsibilities as a trustee		
Review if applicable	<i>Not applicable</i>	

Transparency Compliant		
PROCESS	FINDINGS	RECOMMENDATIONS & ACTIONS
1. Review of Internal Audit 2024/25 considered and actioned		
Good Practice	<i>The Internal Audit report was reviewed by Council and published to the website. There were matters raised which received attention.</i>	
2. External Audit recommendations 2024/25 considered and actioned		
Good Practice	<i>The Conclusion of Audit report was received for 24/25, reviewed by Council and published on the website. There were no matters requiring attention.</i>	
3. Compliance with Transparency Code		
Good Practice / Legal conformity	<i>The Council does not fall within either Transparency Codes and therefore does not need to publish all elements.</i>	It is good practice to follow the Local Government Transparency Code 2015 as much as possible.

Technical, Governance Observations and Further Recommendations:

In accordance with the guidance of the JPAG 2025 1.5, the Council needs to have appropriate evidence to support a 'yes' answer to an assertion and therefore this evidence should be referenced with the Governance Statement decisions in a set of formal minutes. A Statement of Internal Control is a useful tool in considerations of Assertion answers.

As noted in 2024/25, the accounting package used is a commercial one rather than one designed specifically for the local council sector. With the growth of transaction volume this year, the Council may now wish to review whether a sector-specific package would provide enhanced reporting options and year-end information in a format more closely aligned with AGAR requirements, thereby reducing the administrative burden on the Clerk.

The Council has an adequate storage system for both digital and hard copy documentation.

The Clerk is undertaking the CiLCA qualification and Council may wish to review the Scale range of the Clerk once qualified.

Conclusion

Internal control and governance arrangements have improved significantly since the 2024/25 Internal Audit with both the Clerk and Council demonstrating a diligent approach to strengthening processes and addressing previous recommendations.

I would like to thank the Parish Clerk for the timely provision of documentation and for her assistance which has ensured the smooth delivery of the audit.

This report should be formally noted at the next meeting of the Council, recorded in the minutes and published to the website.

Should you require any further assistance or clarification, please do contact me.

Helen Symmons

Legra Internal Audit Service
Internal Auditor