

INTERNAL AUDIT REPORT 2025/26 WALDRIDGE 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 Ministry of Housing, Communities and Local Government (MHCLG), 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 £25,0000 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 gives an opinion on the Parish Council's internal controls.
- 1.3. CDALC had previously provided Councils with an internal 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 Internal Audit work and the areas examined.

- 3.1 The Scope of Work covers the key control objectives identified in the AGAR part for Internal Audit, and to follow up the reports on the previous audit work.
- 3.2. To properly complete the audit the following areas of activity have been examined and tested by the Internal Auditor:
 - Payroll
 - Creditors
 - Risk Management
 - Income collection and Banking arrangements
 - Petty cash
 - Assets
 - Debtors
 - Budgetary Control (including year end procedures)
 - Exercise of Public Rights
- 3.3. The audit findings of this report have been discussed with the new Parish Co-Ordinator/RFO and any recommendations have been agreed with her.

4. Audit Findings

4.1. Payroll

- 4.1.1 During 2025/26 Waldridge Council had 5 Members of staff, RFO/Co-Ordinator (2) and 3 Handy Persons. Timesheets are completed for all with the Parish Co-Ordinator/RFO authorizing the Handy Persons and the RFO/Co-Ordinator timesheet is authorized by the Chair.

- 4.1.2. The Council has outsourced its payroll function to Durham County Council, which is a good internal control for the Council.

4.2. Accounts Payable (creditors)

- 4.2.1. There are no separation of duties at Waldridge Parish Council as the Parish Co-Ordinator/RFO is

the only Officer responsible for Finance and Administration.

Payments are made by electronic transfer and direct debit (mainly utilities) and all expenditure (on line payments) are approved and all payments are shown on a reconciliation sheet every month which is examined by all Councillors,

At the 10th June council meeting limits on bank account for authorisation were reviewed – where the RFO approves up to £500, above £500 requires a councillor to approve and above £1000 requires 2 councillors.

At the 8th July Council meeting it was agreed for the Clerk to have a credit card for small and internet purchases, however, one was not applied for.

All spending is discussed and agreed when the Parish Council meet to agree the Medium Term Financial Plan and any other proposals and spends are discussed at Council meetings and are noted in the monthly minutes. This ensures spending is within budget,

4.2.3. Payments are prepared by the Parish Co-Ordinator/RFO

4.2.4. All payments are recorded on an excel spreadsheet which is satisfactory for the size of the Council.

4.3. Risk Management/Governance arrangements.

4.3.1. In the External Auditors report dated 7th October 2024 it was recognized that there were various concerns during 2023/24

The concerns were raised and were added to the agenda at the next Council meeting to enable the Council to adhere to the statutory timetable, and that the Clerk is satisfied that the appropriate measures are being taken, and were addressed at the 10th June 2025, Council meeting.

4.3.2. There appears to be adequate insurance cover for all assets of the Council, with insurance cover being reviewed every September (the Council has a three year contract).

4.3.3. The Annual Governance Statement and statement of accounts for 2024/25 was agreed and dated 10th June 2025.

4.3.4. The announcement of the public rights for 2024/25 was announced on the 11th June with the inspection dates commencing 16th June to 27th July 2025

4.3.5. A statement on Internal Control for 2025/26 is to be approved at the June 2026 meeting.

4.3.6. Assertion 10 requirements were discussed at the 10th March 2026 meeting to confirm the Council was compliant.

4. Income collection and Banking arrangements

4.4.1. Income is mainly from the precept, vat reimbursements. bank interest, room hire and allotments.

4.4.2. The Council has a hall letting policy which the users have to sign and following the previous audit the Clerk has introduced a new booking form which ensures that sufficient detail is recorded on it. After the invoice is raised. Payment is made by bank transfer..

4.4.3. The allotments are run by an Association which pays the Council an annual rent. The Council also pay the allotment water bills which are reimbursed by the association.

4.4.4. There are 2 bank accounts held by the Council, a Current account, for day to day transactions of the Council and a deposit account holding monies for reserves and to earn interest.

4.4.5. Vat reimbursements for April 2024 to March 2025 were received in the Council's bank account in June 2025.

4.5. Accounting Records

4.5.1. All Income and Expenditure (including vat) is recorded on an excel spreadsheet which is adequate for this Council and enables the Parish Co-Ordinator/RFO to be able to carry out her duties,

4.6. Assets

4.6.1. The Council completes an asset register every year which is approved by the Council with the statement of accounts.

4.7. Debtors

4.7.1. Accounts are raised for room hire and are recorded on the income and expenditure spreadsheet

4.8. Budgetary Control and budget setting

4.8.1. The budget estimates and precept and the Medium Term Financial Plan (MTFP) were reviewed at the 11th November Council meeting, and agreed at the 9th December 2025 Council meeting. Any review of charges is considered in the budget setting process.

4.8.2. I understand that budgetary control is carried out when the bank statements are received and the Chair confirms the bank reconciliation, and bank statement.

4.9. Trust Funds

4.9.1. The Council are trustees for the Millenium Green which was transferred to the Parish Council in 2011 who are now the sole trustee. Following a previous audit report a Constitution has been distributed to Members to read to ensure that the Council is compliant with the Constitution.

4.9.2. The Trust has separate meetings from the Council with separate accounts being kept. Nothing related to the Trust is discussed at Council meetings.

5. Conclusion

5.1. The Parish Co-Ordinator/RFO has recently commenced and has taken on board the way forward as discussed last year/

6 Recommendations

6.1. There are no recommendations for this audit and I am satisfied that no interim audit is required



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

Date: 19th May 2026