

IASYORKSHIRE LTD

Annual Internal Audit Report for: **Hunshelf Parish Council**

Audit Period Ending: **31st March 2026.**

I confirm that we have conducted an Interim Internal Audit using the tests detailed below in accordance with the suggested approach contained in 'Practitioners Guide' 2025' edition of Governance and Accountability in Local Councils in England and Wales.

We have assessed the Financial Management, Compliance and Governance objectives of this Council of which the findings are summarised in the table below.

Financial Management.

Check	Tests	Findings/Comments
Financial Management	<i>A. Appropriate accounting records kept throughout the financial year.</i>	Clear dated cashbook showing receipts and payments. VAT column against payments allows for completion of VAT schedule. Payment list presented to council for approval as identified in Minutes.
	<i>B. This authority complied with its financial regulations, payments, supported by invoices, all. expenditure approved and VAT appropriately accounted for</i>	Yes – payments supported by invoices and approved as identified in Finance section of Minutes. To Note – At the time of the Internal Audit no VAT had claimed for 2025/26.
Internal Control Objectives	<i>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 properly recorded.</i>	Accounts correctly prepared as Payments and Receipts A sample of receipts & invoices checked against accounts/bank statements and are correct.
	<i>E. Expected income fully received, based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.</i>	Lease agreements in place for three tenants for rent – Minutes January – Inflationary increase in rents (3.8% CPI) proposed. Clerk responsible for chasing payments. <i>Recommend that lease/rents appear on Budget Report to ensure rents reviewed annually</i>
	<i>C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</i>	The accounting system found to be auditable and adequate for production of AGAR and Bank Reconciliations.

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Bank Reconciliation	Opening balance for 1 st April matches closing balance previous year.	<p><u>Bank Reconciliations @ 31.3.25.</u></p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">Business Current Account</td> <td style="text-align: right;">£11,134.26</td> </tr> <tr> <td>Business Money Manager</td> <td style="text-align: right;"><u>£164.98</u></td> </tr> <tr> <td></td> <td style="text-align: right;">£11,299.24</td> </tr> </table>	Business Current Account	£11,134.26	Business Money Manager	<u>£164.98</u>		£11,299.24																				
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	<i>I. Periodic bank account reconciliations properly conducted during the year</i>	<p>Clerk confirmed – Throughout the year there has been oversight of the bank by one Councillor, but more recently started sending the bank statements to the full Council as per the Financial Risk Assessment.</p> <p>Now use dual controls. Three out of the (current) four Cllr's have access to the bank to approve payments and can see balances.</p> <p><i>Recommend – Bank reconciliation produced monthly/quarterly - presented at meetings alongside the bank statement and Chair/Cllr signs to confirm balances verified.</i></p>																										
Precept	<i>D. The precept or rates requirement resulted from an adequate budgetary process, progress against the budget regularly monitored; and reserves were appropriate</i>	<p>Precept BMBC £5,250.00 BMBC email verified Precept request identified and amount verified on bank statement. 25/26 Budget monitor showing Budget v Actual seen in Accounts issued – April Meeting (Draft)</p>																										
Cash/Petty Cash	<i>F. Cash payments properly supported by receipts; all cash expenditure approved and VAT appropriately accounted for.</i>	<p>No Petty Cash Donations collected from parishioners and banked by Team Green Moor who are a group of volunteers sub-group to PC. Monies transferred to PC, to cover bill for hanging baskets, nothing documented and no reconciliation of donations. Note: 9.3.26 Minutes - RESOLVED: due to financial constraints, there will be no hanging basket scheme in 2026.</p>																										

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Payroll	<i>G. Salaries to employees and allowances to members paid in accordance with authorities' approvals, and PAYE and NI requirements properly applied.</i>	Clerk confirmed payroll run using Basic Tools. Employer Payment Records identified. Payment to HMRC in Jan for Aug-Dec matches Tax / NI shown on Payment record.
VAT	<i>E. VAT was appropriately accounted for.</i>	VAT Claims 17.4.25 £870.35 19.4.24-11.3.25 Clear schedule for previous year but no VAT Schedule /Claim identified for 2025/26. Clerk confirmed that no VAT schedule has been prepared yet for 2025/26.

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Compliance and Governance.

Check	Tests	Findings/Comments
Previous Internal Audit Report	Minutes record that the Council considered previous Internal Audit Report & matters were discussed.	No minutes confirming that the previous year's IA Report has been discussed. Clerk confirmed. 'I would go through IA Report verbally at the May meeting after which they would agree that the annual accounts were correct, and the AGAR forms could be signed by the Chair.' Unfortunately, this was not minuted.
Minute Book	Approvals of Internal Auditor appointment.	Yes – March minutes
	Pages numbered	No <i>Recommend this is introduced going forward.</i>
	Minutes signed and dated.	Yes – not on website but have verified examples.
	Minutes show invoice payment list (which includes Staff salary) and authorised via minute signature.	Yes – identified in Minutes
	Minutes published to website	Yes - identified
	Bank balances recorded in the minutes reconcile to bank statement.	Bank balances were identified in Minutes from October 2025.
Budget process	Council or Committee held meeting to formulate budget (Statutory Requirement)	Yes – identified in January 2026 Minutes
	Precept amount agreed is identified in minutes	13.1.25 - Minutes- Proposed budget - agreed to keep precept request same as previous year @ £5250
	Progress against the budget regularly monitored.	A single Draft Budget Report 2026/27 provided to the IA. Note: March minutes 12.5 Resolved the budget monitoring report to be deferred to April Meeting. <i>Recommend – A quarterly report is provided to full council going forward.</i>
Standing Orders	The Council has formally adopted Standing Orders 2025	Identified on Website and up to date. Note: April 26 Minutes show RESOLVED: to adopt the updated Standing Orders.
Financial Regulations	The Council has formally adopted and Financial Regulations 2025	Identified on Website and up to date.
Financial Risk Management Assessment /Policy	Minutes show annual review has taken place, and document is evident and adopted	Identified and adopted at March 2026 Meeting.
Emails	<i>(O) The authority has</i>	Clerk has appropriate email address as identified on the

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	<i>complied with laws, regulations & proper practices relating to digital and data compliance</i>	website. The Clerk confirmed that the Cllrs have been provided with appropriate email addresses to comply with IT policy.
IT Policy	The Council IT policy	Identified - February 2026 Minutes show. RESOLVED: to approve the IT Policy
GDPR	The Council has a specific policy or made provision within another document.	A privacy and cookie policy identified on website, however home page only states COOKIE POLICY – unable to see link to PRIVACY POLICY. NEEDS AMENDING. Transparency link shows no document on Website page.
Website	Complies	Home page shows website managed by IOW Geek, however when accessing the link, it shows WEBSITE CLOSED and that <u>Wight Computers Ltd</u> purchased IOW Geek in 2020. Requires amending. Clerk confirmed the website is currently still being worked on
Asset Register/ Inventory Account	<i>H. Asset and investments registers were complete and accurate and properly maintained</i>	Clerk confirmed just conducted a full review and requires updating. Clerk confirmed - Existing Asset sheet on the website is just land and buildings. Not totalled or dated. IA has not had sight of new reviewed ASSET LIST or AGAR.26/27.
Insurance	Fidelity Guarantee	Identified in Insurance Schedule and more than adequate.
	Asset values align with Asset Register/Inventory Account	Existing Asset sheet values identified as covered in the Policy Schedule Clerk to ensure that new reviewed Assets have adequate insurance.
Trust Funds	Is the Council a trustee – does the council have a policy for its role as a trustee?	N/A
AGAR SECTIONS ONLY APPLICABLE FOR ANNUAL INTERNAL AUDIT		
AGAR - Form 2 Without a Limited Assurance Review	If Authority is exempt from a Limited Assurance review has it certified itself and posted form 2 to the website	No – no information posted to Website.

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