

Covingham Parish Council

Internal Audit Report 2025-26

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*For and on behalf of
Auditing Solutions Ltd*

Background and Scope

The Accounts and Audit Arrangements introduced from 1st April 2015 require all Parish Councils to implement an independent Internal Audit (IA) examination of their Accounts and accounting processes annually. The Council implemented the process at its outset, and, has, following a re-quoting exercise, reappointed us at Auditing Solutions Ltd to continue to provide the service to the Council.

This report sets out the work undertaken in relation to the 2025-26 financial year, which was undertaken remotely on the 3rd May 2026.

Internal Audit Approach

The Internal Audit for the 2025-26 financial year has been undertaken remotely. All files and supporting document required to complete the audit have been supplied by the Clerk and Responsible Finance Officer (RFO), electronically.

In undertaking our review for the year, we have again had regard to the materiality of transactions and their susceptibility to potential misrecording or misrepresentation in the year-end Statement of Accounts / Annual Return. Our programme of cover is designed to afford appropriate assurance that the Council has appropriate and robust financial systems in place that operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'Internal Audit Report' as part of the Council's Annual Governance and Accountability Return (AGAR) process, which requires independent assurance over a number of internal control objectives.

Overall Conclusion

Based on the satisfactory completion of our programme of work for the year, we have concluded that the Council has, again maintained a comprehensive effective internal control arrangements. We note that the recommendations we have raised in previous years have been actioned.

In all respects, we take this opportunity to commend the Clerk/RFO and Members for their continued operation of the Council, in accordance with its Standing Orders and Financial Regulations, providing a high level of service to its electorate. We further commend the quality of records supplied for this review, by the RFO/Clerk, who should both be commended in this regard. We would like to thank the Clerk and the RFO for their assistance during this review which has ensured the smooth and successful progress of the Internal Audit.

We have completed and signed the FY2025-26 AGAR 'Annual Internal Audit Report', having concluded that the control objectives set out in that Report have been achieved within the financial year to a standard adequate to meet the needs of the Council.

We ask that members consider the content of this report and acknowledge that the report has been formally reviewed and adopted by Council.

Detailed Report

Review of Accounting Records & Bank Reconciliation

The Clerk/RFO continues to maintain the Council's accounting records using a spreadsheet, which is considered to be appropriate for the Council's requirements given the low volume of annual transactions and the high standard of corporate governance maintained by the Council. The spreadsheet is well developed with adequate columnar analysis for all statutory reporting needs. The Council maintains two bank accounts, Treasurers (current), and Instant Access (deposit) Account, with Lloyds Bank for the Council's Business requirements.

We note that bank reconciliations on all the bank accounts managed by the Council are carried out on a monthly basis, are subject to review by Members, as required by the Governance and Accountability Manual, and are formally approved at the corresponding meeting of the Full Parish Council.

We have checked and verified the spreadsheet cashbook entries for the Months of June, September and December 2025 and March 2026 against the transactions recorded on the corresponding bank statements with corresponding inter-account transfers. We have also checked and agreed the year-end cashbook / bank statement reconciliation ensuring that no anomalous items are in existence. Finally, in this area of review we have verified the accurate disclosure of the year-end account balances in the 2024-25 Annual Return submission which forms Part 2, of Section 2 of the 2025-26 Annual Governance and Accountability Return.

Conclusion

There are no matters arising in this area of our review warranting formal comment or recommendation.

Review of Corporate Governance

Our objective in this area is to ensure that the Council has robust corporate governance documentation and procedures in place; that Council meetings are conducted in accordance with the adopted Standing Orders and that, as far as we may reasonably be expected to ascertain, no actions of a potentially unlawful nature have been or are being considered for implementation. We have: -

- Noted that both the Council's Standing Orders and Financial Regulations have been reviewed and updated using the latest NALC model documents. Both documents were reviewed and readopted by Members during the May 2025 Annual Meeting of the Full Parish Council.
- Noted that the Council's Code of Conduct was readopted by Members during the May 2025 Annual Meeting of the Full Parish Council.
- Examined the Council's minutes for the 2025-26 financial year to identify whether or not any issues exist that may have an adverse effect, through litigation or other causes, on the Council's future financial stability, noting a generally high quality of Minute taking;
- Noted that the Council appears to take all reasonable steps to ensure compliance with the General Data Protection Regulation legislation (GDPR);
- Noted that the Council maintains its official website which is published on a secure server at <https://www.covingham-pc.gov.uk>. The website is easy to use, and as far as it

is reasonably possible to ascertain, is fully compliant with current Accessibility legislation and with the Transparency Code;

- Noted that the Council maintains a basic portfolio of policies, including a currently Adopted Code of Conduct, published on its official website at the following address: <https://www.covingham-pc.gov.uk/documents-and-reports/policy-documents.html>;
- Noted that the Council has provided the proper period for the Exercise of Public Rights for the 2024-25 financial year Accounts;
- Noted that the External Auditor issued their report raising no matters whatsoever;
- Noted that the [Notice of Conclusion of Audit](#), on the Council's official website at: and,
- Noted the continuing high quality of record keeping maintained by the Clerk/RFO.

Conclusion

There are no matters arising in this area of our review warranting formal comment or recommendation.

Review of Payments and VAT

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and budgets;
- All payments are subject to appropriate approval in accordance with the Council's approved procedures;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount; and,
- VAT has been appropriately identified for periodic recovery.

We have examined all transactions recorded in the spreadsheet/cashbook, made during the months of May, June and December 2025 and March 2026, with reference to the corresponding bank statements, ensuring that these were recorded accurately with no issues arising.

Additionally, we have checked every non-payroll related payment made during the 2025-26 financial year, noting that each document reviewed contained clear evidence of having been checked and verified by Council Members and the Clerk & RFO.

We have ensured that the spreadsheet/cashbook accurately recorded the information contained on the payment documents and that VAT, where expended, was identified for recovery: we are pleased to record that all payments met the above criteria, with clear evidence of scrutiny by Members, with no issues arising.

We have verified the VAT reclaim for 2025-2026 versus the Cashbook.

Conclusion

There are no matters arising in this area of our review warranting formal comment or recommendation.

Review of Assessment and Management of Risk

The Governance and Accountability Manual requires all councils to develop, maintain, formally review and adopt at least once annually a Risk Register.

We note that the Council maintains a basic Risk Register which is reviewed on an annual basis. The Council's General Health & Safety and Financial Risk Register was reviewed within the financial year.

The Council's insurance requirements continue to be underwritten by Hiscox under policy number 818096, cover effective from the 01st of June 2022 under a run until cancelled policy. The policy renewal was Resolved during the 13th of May 2024 Annual Meeting of the Parish Council, under Minute reference 14;

Key Features

- Employers Liability	£10 million
- Public & Products Liability	£10 million
- Officials & Trustees Indemnity	£500,000
- Commercial Legal Protection	£100,000
- Personal Accident	£100,000
- Crisis Containment	£ 25,000
- Business Interruption	£ 10,000

We consider this level of cover appropriate for the Council's immediate and ongoing requirements.

We are advised by the Clerk/RFO, that the Council is responsible for two recreation areas: [Smitanbrook Park](#) Which is located in the central/south area of Covingham, this large open space containing a multiuse recreation area and a basketball court, and [Covingham Park](#) which is situated in the northern part of Covingham, this large open space benefits from various amenities including a children's play area, basketball wall and skateboard park.

We are further advised by the Clerk/RFO that a comprehensive management scheme is in place in relation to both recreation areas:

- Maintenance Engineers, who we are advised have attended RoSPA Playground Inspection courses, carry out visual checks of all play equipment, adult exercise equipment and the skate park 6 days out of 7;
- A detailed visual inspection is conducted on a monthly basis, using the Councils' Playground Inspection Report form;
- Standalone Health and Safety Risk Assessments have been completed for all activities in the parks; and,
- The Annual Independent play area inspection is conducted by RoSPA play safety Ltd each September.

Conclusion

There are no matters arising in this area of review warranting formal comment or recommendation in this area of review.

Review of Budgetary Control and Reserves

We note that the Council conducted a robust Budget setting and Precept determination process which was reviewed during the December meeting of the Full Parish council. We note that the Precept was agreed and set in the January 2026 meeting.

We have examined the status of the Council's reserves at the 31st of March 2026 noting that in total they have decreased slightly to £80,246.05.

The Council's General Reserve position equates to approximately six months revenue expenditure at the prior year level, sitting comfortably at the mid-range of the best practice recommendations.

Finally, in this area of our review we have noted that Members continue to receive detailed monthly Budget Monitoring reports from the Clerk/RFO during each Full Council meeting, which are recorded as 'Received and Noted' in the Approved and Publish Minutes. We have also examined the Council's Budget Variance report, noting that there are no variances requiring further investigation or explanation.

Conclusion

There are no matters arising in this area of our review warranting formal comment or recommendation.

Review of Income

The Council has only limited sources of income.

We have checked and verified all income for the financial year.

Conclusions

There are no matters arising in this area of our review warranting formal comment or recommendation.

Review of Petty Cash Account(s)

Covingham Parish Council does not maintain any form of cash float. The Clerk/RFO maintains a Debit Card, with a £100.00 per transaction limit, to facilitate online purchases. Additionally, all out-of-pocket expenses, incurred by Officers or Members reclaimed via formal expense claims which are subjected to the same scrutiny as all other payment documents, circulated for Member scrutiny, authorised and paid accordingly.

There are no matters arising in this area of our review warranting formal comment or recommendation.

Review of Salaries and Wages

In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the Employee Rights Act 1998 and the requirements of HM Revenue and Customs (HMRC) legislation as regards the deduction and payment over of income tax and NI contributions.

We note that the Council continues to employ three personnel.

- We have reviewed the Council's payroll procedures and find them to be robust, proportionate and in compliance with the currently adopted Financial Regulations;
- We note that the Council continues to produce its payroll, HMRC RTI reporting and payslips using IRIS KashFlow software; and,
- We have checked and verified the payroll for November 2025 and January 2026, ensuring that the salary payments in line with the corresponding contracts and supporting documentation, with the correct tax deducted and paid over to HMRC with no issues arising.

Conclusion

There are no matters arising in this area of our review warranting formal comment or recommendation.

Review of the Fixed Asset Register

The Governance and Accountability Manual (G&AM) requires all councils to develop and maintain a register of their asset stock. The Clerk has provided an electronic copy of the updated asset register which identifies the make-up of the value recorded in the Annual Return for our examination.

The Clerk maintains a basic Asset Register, recording assets at a consistent year on year level, as required by the Governance and Accountability Manual. We note that the Asset Register was reviewed and readopted during the March meeting of the Parish Council.

Conclusion

There are no matters arising in this area of our review warranting formal comment or recommendation

Review of Investments and Loans

The Council has no funds invested other than those in its two accounts with Lloyds Bank Plc.

- Lloyds Bank Treasury Account (Current); and,
- Lloyds Bank Instant Access Reserve (Deposit) Account (Interest Bearing).

The Council has no loans in place, either let by it, or to it.

Conclusion and recommendation

There are no matters arising in this area of our review warranting formal comment or recommendation.

AGAR and Statement of Accounts

The Accounts and Audit Regulations, as amended periodically, require all councils to prepare annually a Statement of Accounts, which is now in the form of the Annual Governance and Accountability Return at Section 2, which is, together with the Annual Governance Statement at Section 1, subject to independent external audit examination and certification.

As part of our review process, we have examined the Council's procedures in relation to the identification of detail for inclusion in Section 2 of the Return, which is produced using Microsoft Excel spreadsheets, and used by the Clerk/RFO to provide a detailed set of accounting statements. We have agreed detail therein to Section 2 of the 2025-26 financial year Annual Governance and Accountability Return.

We have discussed the Council's status regarding its ability to assign a positive assurance to the additional Box 10 assertion in the 2025-26 Governance Statement reviewing all relevant supporting documentation. Consequently, we will also be assigning a positive assurance in the year's IA certificate at Box "O".

We are pleased to note that the Council has taken appropriate action to ensure that it is able to give a positive response to the new, for 2025-26, Assertion 10 in the AGAR Governance Statement developing a range of appropriate policies and procedures to help ensure the security of its website and compliance with GDPR and other regulations.

Conclusion

On the basis of our detailed work during the course of the year on the Council's systems of financial control and content of the detailed Statement of Accounts and that summarised detail set out in the AGAR, we have signed off the Internal Audit Report of the AGAR assigning positive assurances in each relevant area.

Rec. No.	Recommendations	Response
Review of Corporate Governance		
No recommendations.		