Report to Semer Parish Council

The Internal Audit of the Accounts for the year ending 31 March 2026

1. Introduction and Summary.

1.1 The Internal Audit work undertaken confirmed that during the 2025/26 year the Council has achieved a much-improved framework of governance and financial control and financial administration arrangements. The Internal Audit review, undertaken on the documentation provided to the Internal Auditor and on the information published on the Council's website, has confirmed that step-change improvements have been achieved since the appointment of the current Clerk and Responsible Financial Officer (RFO), Mrs Vicky Waples, and these have enabled the Council to recover from the challenges experienced by the Council prior to her appointment.

1.2 By examination of the 2025/26 accounts and supporting documentation it was confirmed that the Clerk/RFO is undertaking the administration of the Council's financial affairs to a high standard and is producing financial management information to enable the Council to make well-informed decisions.

1.3 The Accounts prepared for the year 2025/26 confirm the following:

Total Receipts for the year:	*£7,206.60*
Total Payments in the year:	*£12,317.02*
Total Reserves at year-end:	*£2,618.73*

1.4 The Annual Governance and Accountability Return (AGAR) was examined and the following figures agreed with the Clerk/RFO for inclusion in Section 2 Accounting Statements 2025/26 (rounded for purposes of the Return):

Balances at beginning of year (1 April 2025):	*Box 1: £7,729*
Annual Precept 2025/26:	*Box 2: £4,000*
Total Other Receipts:	*Box 3: £3,207*
Staff Costs:	*Box 4: £2,550*
Loan interest/capital repayments:	*Box 5: £0*
All Other payments:	*Box 6: £9,767*
Balances carried forward (31 March 2026):	*Box 7: £2,619*
Total cash/short-term investments:	*Box 8: £2,619*
Total fixed assets:	*Box 9: £565*
Total borrowings:	*Box 10: £0*

1.5 Sections One and Two of the AGAR are due to be approved and signed at a forthcoming meeting of the Council. The Internal Auditor has completed the Annual Internal Audit Report 2025/26 within the AGAR.

1.6 The following Internal Audit work was carried out on the adequacy of systems of internal control in accordance with the agreed Audit Plan.

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2. Governance, Standing Orders, Financial Regulations and other Regulatory matters *(examination of Standing Orders, Financial Regulations, Code of Conduct, Formal Policies and Procedures, Tenders where relevant. Acting within the legal framework, including Data Protection legislation).*

2.1 The Annual Parish Council meeting took place on 15 May 2025. The first item of business was the Election of a Chair, as required by the Local Government Act 1972. Annual Subscriptions for the year 2025/26 were agreed by the Council at the meeting.

2.2 A Clerk and Responsible Financial Officer (RFO) is in place, Mrs Victoria Waples having been formally appointed by the Council at its meeting on 24 July 2023. At the meeting on 21 November 2024 the Council confirmed the continuation of Mrs Waples as the Council's Clerk/RFO under a formal contract based on the Model Contract of Employment for Local Councils which incorporates the Green Book terms. The contract was signed and Mrs Waples was confirmed in the post at SCP 18 for a maximum of 12 hours per month.

2.3 The Council demonstrates good practice by maintaining a standing agenda item for 'Statutory Business'.

2.4 **Standing Orders** are in place having been reviewed and adopted by the Council at its meeting on 15 May 2025 and on 19 March 2026. They have been published on the Council's website and are based on the Model Standing Orders and guidance provided by the National Association of Local Councils (NALC).

2.5 **Financial Regulations** are in place. At its meeting on 19 March 2026 the Council reviewed the updated NALC model financial regulations as adapted to Semer Parish Council. A copy has been published on the Council's website.

2.6 At its meeting on 18 January 2024 the Council adopted the Local Government Association (LGA) Model **Councillor Code of Conduct** 2020 for the purposes of discharging its duty to promote and maintain high standards of conduct within its area. A copy of the Code has been published on the Council's website. The Council has a standing agenda item for the Code of Conduct and Declaration of Members' interests.

2.7 The Council's Minutes are currently very well presented and provide clear evidence of the decisions taken by the Council in the year. The pages of the Minutes are consecutively numbered and the Clerk/RFO confirmed that each page is currently being signed/initialled by the Chair of the meeting at which the Minutes are approved.

2.8 The Council is **r**egistered with the Information Commissioner's Office (ICO) as a Fee Payer/Data Controller for the provision of council services under Data Protection legislation (Registration ZA336292 expiring 2 April 2027). The Council has in place a Data Protection Impact Assessment, Data Protection Policy, Data Retention and Disposal Policy, a Privacy Statement and Privacy Policy.

2.9 The Council maintains a Freedom of Information (FOI) Act Publication Scheme. A copy has been published on the Council's website. The Freedom of Information Act

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2000 obliges parish councils to provide information through a Publication Scheme and in response to requests made by members of the public. The Council has adopted a model scheme published by the Information Commissioners Office (ICO).

2.10 Previous Internal Audit Reports have recommended that the Council should consider adopting a wider range of Policies, Procedures and Protocols which will assist in achieving and maintaining a high standard of governance and administration. At the meeting on 15 May 2025 the Council agreed that the Clerk/RFO would draw up a list of policies to enable the council to consider further those that might be appropriate for adoption later in the year. As part of this process the Council considered the policies required to comply with a new Assertion 10 in the Annual Governance Statement (AGS) of the AGAR 2025/26.

2.11 The **Assertion 10 in the Annual Governance Statement** of the AGAR 2025/26 requires local councils to formally declare their compliance with digital and data governance standards. The SAPPP Practitioners' Guide provides the following instruction regarding Assertion 10 - Digital and Data Compliance, at item 1.47 et seq.:

'To warrant a positive response to this assertion, the authority needs to have taken the following actions:

a) Email management - Every authority must have a generic email account hosted on an authority owned domain, for example clerk@abcparishcouncil.gov.uk or clerk@abcparishcouncil.org.uk.

b) All smaller authorities (excluding parish meetings) must meet legal requirements for all existing websites regardless of what domain is being used.

c) All websites must meet the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 (where applicable).

d) All websites must include published documentation as specified in the Freedom of Information Act 2000 and the Transparency code for smaller authorities (where applicable).

e) All smaller authorities, including parish meetings, must follow both the General Data Protection Regulation (GDPR) 2016 and the Data Protection Act (DPA) 2018.

f) All smaller authorities, including parish meetings, must process personal data with care and in line with the principles of data protection.

g) The DPA 2018 supplements the GDPR and classifies an authority as both a Data Controller and a Data Processor.

h) All smaller authorities (excluding parish meetings) must also have an IT policy. This explains how everyone - clerks, members and other staff - should conduct authority business in a secure and legal way when using IT equipment and software. This relates to the use of authority-owned and personal equipment.'

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2.12 At the meeting on 19 March 2026 the Clerk/RFO confirmed the following actions:

a) Adoption of an IT Policy (the meeting resolved to adopt the written IT Policy).
b) Adoption of a Subject Access Request Policy (the meeting resolved to adopt the Policy as submitted).
c) Adoption of a Data Protection Policy (the meeting resolved to adopt the Policy as submitted).
d) Confirmed that the Council has in place appropriate technical and organisational measures to protect personal data (the meeting confirmed that the Data and Electronic Retention Policy 2026 was up to date and should be taken as reviewed with the meeting's date inserted).
e) Confirmed that there were are no amendments required to the previously adopted Privacy Policy.
f) Confirmed that the Clerk/RFO had carried out a GDPR risk assessment on the control measures in place to ensure compliance with Data Protection Legislation

2.13 In addition, the Clerk/RFO has confirmed and provided evidence to the Internal Auditor that the above requirements have been met and the Council is able to provide positive affirmation to Assertion 10 in the AGS. The Council has demonstrated proper governance of their digital presence, including using an authority-owned domain for emails and complying with the latest website accessibility standards as far as practicably possible.

3. Accounting Procedures and Proper Book-keeping *(examination of entries in the Cashbook, regular reconciliations, supporting vouchers, invoices and receipts and VAT accounting).*

3.1 The Cashbook Spreadsheet was found to be in good order and well presented. VAT payments are tracked and separately identified within the Cashbook.

3.2 The Spreadsheet is well referenced and provides a good audit trail to the Bank Statements and the financial information prepared by the Clerk/RFO. The documents provided good evidence in support of the receipts and payments in the year. A sample of transactions was closely examined and was found to be in order, with supporting invoices and vouchers in place.

3.3 Relatively small amounts of VAT are paid each year. A VAT reclaim for £102.00 covering the period 1 October 2023 to 31 October 2025 was submitted to HMRC in 2025/26 and reimbursement was received at bank on 19 March 2026.

3.4 A Statement of Variances (explaining significant differences in receipts and payments between the years 2024/25 and 2025/26) has been prepared by the Clerk/RFO.

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4. Bank Reconciliation *(Regularly completed and cash books reconcile with bank statements).*

4.1 Bank Balances and up-to-date financial position statements are presented to the Council by the Clerk/RFO.

4.2 The Barclays Community Account statement displayed a balance of £2,618.73 as at 31 March 2026 and reconciled to the End-of-Year accounts.

5. Year End procedures *(Regarding accounting procedures used and can be followed through from working papers to final documents. Verifying sample payments and income. Checking creditors and debtors where appropriate).*

5.1 End-of-Year accounts are prepared on a Receipts and Payments basis and were in good order. Sample audit trails were undertaken and were found to be in order.

6. Internal Control and the Management of Risk *(Review by Council of the effectiveness of internal controls, including risk assessment, and Minuted accordingly).*

6.1 At the meeting on 19 March 2026 the Council reviewed and adopted the Financial Risk Assessment for the year ending 31 March 2026. The Council reviewed the risk management procedures outlined in the submitted paper and confirmed that they were in place. Whilst those risks highlighted in the paper were subject to further action, the Council agreed that there were no regulatory or contractual issues that may impact on the Council for which a further risk assessment might be required (Minute 7iig refers).

6.2 On 19 March 2026 the Council also reviewed and adopted the Internal Control Statement for the year ending 31 March 2026. Having considered and reviewed the Statement, the Council considered that the controls currently in place were effective and appropriate for Semer Parish Council in its management of public finances. It was further agreed that that the system of internal control was sound and provided an adequate foundation to mitigate the risks associated with the operation of public money (Minute 7iih refers).

6.3 The Council also reviewed and adopted at its meeting on 19 March 2026 the Annual Review of the Effectiveness of Internal Control and Internal Audit for the year ending 31 March 2026 (Minute 9v refers). Having reviewed internal audit in terms of independence, competence, proportionality and effectiveness, it has complied with its duty under the 2015 Regulations and met the standards of audit provision.

6.4 The Council accordingly complied with the Accounts and Audit Regulations 2015 which require a review by the Full Council at least once a year of the effectiveness of the Council's system of internal control, including the arrangements for the management of risk, with the review suitably Minuted.

6.5 Insurance cover was in place during the year 2025/26. At the meeting on 15 May 2025 the Council reviewed and approved the renewal cost of £204.94. The Clerk had undertaken a review of the council's insurance requirements and this had resulted in

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amendments to the existing policy and the renewal premium reflected the amendments.

6.6 The current Policy is provided by Ansvar Insurance and runs for the period 1 June 2025 to 31 May 2026. The Policy provides Public Liability cover and Employer's Liability cover, both at £10m. The Fidelity Insurance (Councillor/Employee Dishonesty) cover stands at £25,000, which meets the current recommended guidelines which provide that the cover should be at least the sum of the year-end balances plus 50% of the precept (£2,618 plus 50% of £4,500 (£2,250) = £4,868).

7. Budgetary controls ***(Verification of the budgetary process with reference to Council Minutes and supporting documents).***

Precept 2025/26: £4,000

Precept 2026/27: £4,500

7.1 At the meeting on 21 November 2024 the Council considered the 1st Draft for the Budget for the year 1 April 2025 to 31 March 2026. Confirmation of the budget that was set for 2025/26 in the sum of £4,382 was given with a Precept of £4,000. It was agreed that the Budget and Precept would be formally approved at the meeting scheduled in January 2025 once the tax base had been confirmed by the District Council.

7.2 At the meeting on 16 January 2025 the Council considered and approved the precept of £4,000 to be set on the parish for the year 2025/26. This would equate to a Band D council tax element of £56.48 per annum which was an increase of 7.49% or £3.94 over that set for the previous year. The annual expenditure budget set for the year 2025/26 would be £7,232 which would be funded from the precept, known income streams and earmarked reserves.

7.3 At the meeting on 20 November 2025 the Council considered the 1st Draft for the Budget for the 2026/27 year in the sum of £4,714 with a proposed Precept of £4,500. It was agreed that the Budget and Precept would be formally approved at the meeting scheduled in January 2026 once the tax base had been confirmed by the District Council.

7.4 At the meeting on 29 January 2026 the Council considered and approved the Budget of £4,714 for the year 2026/27. The meeting considered the Precept for 2026/27 and agreed to set the sum of £4,500 noting that this would equate to a Band D council tax element of £65.25 per annum which was an increase of 15.53% or £8.77 over that set for the previous year.

7.5 The Clerk/RFO is ensuring that the Council has sound budgetary procedures in place. The 2024/25 Budget papers were detailed and informative and ensured that Councillors had sufficient information to make informed decisions.

7.6 The Clerk/RFO presented a Budget Monitoring Report (Actual versus Budget analysis) to the Council on 31 July 2025 in order to ensure that the estimates for 2025/26 were being used effectively for financial control and budgetary control purposes.

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7.7 Similarly, at the meetings on 20 November 2025 and 29 January 2026 the Council reviewed the up-to-date Actual versus Budget report and noted the anticipated outcomes for the year ending 31 March 2026.

7.8 The Precepts were agreed in Full Council and the Precept decision and amount have been clearly Minuted. The Clerk/RFO ensures that the Council is aware of its responsibilities and commitments and the need for forward planning and adequate reserves.

7.9 At its meeting on 29 January 2026 the Council reviewed and adopted the Reserves Policy for the year ending 31 March 2026, The Council reviewed the adopted policy on 19 March 2026 noting that there was an aim to ensure that the General Reserves was kept at a minimum of three months of predicted expenditure. It was acknowledged that the Council's general reserves were low, and that it would seek to regularise the position over the coming years.

7.10 The Council's Overall Reserves at the year-end 31 March 2026 totalled £2,618.73 and the Clerk/RFO advised this consisted of the following:

- Asset Improvements: £1,000.00
- General Working Reserve: £1,618.73

The General Working Reserve is 36% or 4 months' equivalent of the 2026/27 Precept, which is within the generally accepted Best Practice position that non-earmarked revenue reserves should usually be between three and twelve months of Net Revenue Expenditure/Precept (the SAPPP Practitioners' Guide, Item 5.34 refers).

8. Income Controls ***(regarding sums received from Precept, Grants, Loans and other income including credit control mechanisms).***

8.1 Receipts are reported to the Council by the Clerk/RFO as a matter of routine. The Total Receipts recorded in the Cashbook (£7,206.60) consisted of the Precept (£4,000), Contributions to Speed Limit Changes (£2,700), Locality Funding from BMSDC for Church Meadow Bridge (£400), VAT repayment from HMRC (£102) and Wayleave Receipt – Church Meadow (£4.60).

8.2 The Receipts were cross referenced with the Council's Bank Statements and were found to be in order.

9. Petty Cash ***(Associated books and established system in place).***

9.1 A Petty Cash system is not in use. An expenses system is in place, with online payments being made out for expenses incurred.

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10. Publication Requirements and the Transparency Code (Compliance for smaller councils with income/ expenditure under £25,000).

10.1 Under the provisions of the Transparency Code, Semer Parish Council can be designated as a 'Smaller Council'.

10.2 The Council's website is: *https://semerparishcouncil.gov.uk/parish-council/*

10.3 Smaller authorities should publish on their website:

a) **All items of expenditure above £100:**
Published on the website

b) **Annual Governance Statement, AGAR, Section One:**
2024/25 published on website

c) **End of year accounts, AGAR, Section Two:**
2024/25 published on website

d) **Annual Internal Audit report within AGAR:**
2024/25 published on website

e) **List of councillor or member responsibilities:**
Published on the website

f) **Details of public land and building assets (Asset Register):**
Published on the website

g) **Minutes, agendas and meeting papers of formal meetings:**
Published on the website

10.4 The Council is complying with the requirements of the Transparency Code.

10.5 The Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015 required the Council to publish a 'Notice of Public Rights and Publication of Annual Governance and Accountability Return (Exempt Authority)' on a publicly accessible website. At its meeting on 15 May 2025 the Council received the dates from the Clerk/RFO of the period for the exercise of public rights and publication requirements of the AGAR for the year ending 31 March 2025.

10.6 The Internal Auditor was able to confirm that the document for the year 2024/25 was readily accessible on the Council's website and displayed the Date of Announcement, Details of Person to contact to view the accounts and the Details of the person making the announcement.

10.7 The remaining documents required to be published, as listed in the AGAR Page 1 Guidance Notes, the Certificate of Exemption and Bank Reconciliation and Analysis of Variances were confirmed as easily accessible on the Council's website.

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11. Payroll Controls (*PAYE and NIC in place; compliant with HMRC procedures; records relating to contracts of employment).*

11.1 Payroll Services are operated in-house in accordance with HMRC requirements. PAYE is in operation.

11.2 From 24 July 2023 the Council employed Mrs Waples as the Clerk/RFO under a Statement of Particulars dated 3 August 2023, the terms of engagement initially fixed for one year. At the meeting on 21 November 2024 the Council confirmed the continuation of Mrs Waples as the Council's Clerk/RFO under formal contract based on the Model Contract of Employment for Local Councils which incorporates the Green Book terms. The contract was signed and Mrs Waples was confirmed in the post at SCP 18 for a maximum of 12 hours per month.

11.3 At the meeting on 31 July 2025 the Council retrospectively approved the implementation of the Local Government Services Pay Agreement 2025 as per the Clerk's Contract of Employment.

11.4 With regard to the legislation relating to workplace pensions, the Clerk/RFO confirmed to the Council on 18 January 2024 that a declaration of compliance under the Pensions Act 2008 had been submitted to the Pensions Regulator on 11 January 2024. (The re-declaration of compliance confirms to the Pensions Regulator that the Council complies with its duties as an employer and has to be completed every three years).

12. Assets Controls *(Inspection of asset register and checks on existence of assets; recording of fixed asset valuations; cross checking on insurance cover).*

12.1 The Council's Asset Register for the year ending 31 March 2026 was reviewed and approved by the Council at its meeting on 19 March 2026. Councillors. resolved to accept the register as written, noting that there were no changes from the previous year.

12.2 As at 31 March 2026, the Asset Register displays a total valuation of £564.98, The assets are valued at cost or at a nominal (community) value of £1 to ensure that the Council's ownership and responsibility are recognised and not lost or forgotten. The Assets listed are:

Village Sign:	£1.00
Worhouse Graveyard;	£1.00
Church Meadow:	£1.00
HP Pavilion Laptop:	£561.98

12.3 The value has been correctly entered into Box 9 of Section 2 of the AGAR (rounded to £565 for purposes of the Return).

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13. Internal Financial Controls, Payments Controls and Audit Procedures *(Confirmation that the Council has satisfactory internal financial controls in place for making payments with adequate documentation to support/evidence payments made. Any previous audit recommendations implemented).*

13.1 During the year 2025/26 the Clerk/RFO continued to develop internal financial controls within the Council. The Clerk/RFO provides comprehensive financial reports to Council meetings and Councillors are being provided with information to enable them to make informed decisions.

13.2 The Council receives at each meeting a Schedule of any receipts received and expenditure incurred since the previous meeting for retrospective approval. The Council also receives details of invoices awaiting authorisation and payment and details of the financial position of the Council, including the amount of funds held and a completed Bank Reconciliation.

13.3 Invoices/vouchers were cross checked with the Cashbook and bank statements on a sample basis and were found to be in good order.

13.4 Internet Banking is in place with the Clerk/RFO as the System Administrator (and first authoriser) who sets up the payment which is then authorised by one Councillor to release the payment.

13.5 Receipts and payments are listed in the Council's Minutes as part of the overall financial control framework. Invoices/vouchers for payment are initialled by signatories.

13.6 The Internal Audit Report for the previous year, 2024/25 was dated 25 April 2025 and was received and accepted by the Council at its meeting on 15 May 2025.

13.7 At the meeting held on 19 March 2026 the Council agreed to the appointment of the Internal Auditor for the year 2025/26.

14. Sole Trustee (*To confirm that the Town Council has met its responsibilities as a trustee).*

14.1 The Council has **Sole Trustee responsibilities for the Church Meadow Charity** (Charity Commission Registration no. 1014927).

14.2 The Charity Commission records the charity as a 5-acre meadow next to Semer Church used by walkers and occasional village events. The Governing document is described as a Declaration of Trust executed on 20 October 1992 for the preservation and maintenance of Semer Meadows as Open Space for the inhabitants of the Parish of Semer and for their recreation and other leisure time occupation.

14.3 The Annual Return for the year ended 31 March 2025 is recorded by the Charity Commission as received on 1 December 2025, within the required time limit.

14.4 The Clerk/RFO confirmed to the Internal Auditor that she has access to enable her to upload information and data to the Charity Commission and deliver any necessary updates.

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15. External Audit ***(Exemption declared or any Recommendations put forward/ comments made following the Limited Assurance Review).***

15.1 An External Audit was not required in the year 2024/25 as the higher of gross income or gross expenditure did not exceed £25,000 in the year of account. At its meeting on 15 May 2025 the Council approved the completion of the Certificate of Exemption from a Limited Assurance Review for that year. A copy of the Certificate has been published on the Council’s website.

15.2 For the year 2025/26 the Council may similarly apply for Exemption from a Limited Assurance Review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015.

16. Additional Comments.

16.1 I would like to record my appreciation to the Clerk to the Council for her assistance during the course of the audit work and for the excellent presentation of all documents for the audit.

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30 April 2026

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