Ireland & Company
Chartered Accountants

COUNTESTHORPE PARISH COUNCIL

INTERNAL AUDITORS' REPORT

6 MONTHS ENDED 30 SEPTEMBER 2026

Overall Review

In the 6 months to 30 September 2026 no problems have arisen in the financial systems and reporting which I have found to be accurately and efficiently carried out by the Parish Council Manager.

P Anderson

Peter Anderson
Ireland and Company
Date: 16 October 2026

ICAEW CHARTERED ACCOUNTANTS

Director:
M Johal FCA

Bowden House, 36 Northampton Road, Market Harborough, Leicestershire LE16 9HE

Tel: (0116) 2793704 www.irelandandcompany.co.uk

Registered in England and Wales No: 8954130

Ireland and Company is a trading name of Ireland and Company Limited

Vat number: 424415477

Notes of Internal Audit Undertaken

Smaller authorities are required by the Accounts and Audit Regulations 2015 to "undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".

This review covers the 6 months 01/04/2026 – 30/09/2026. The review is based on the internal controls outlined in Practitioners Guide 2026/27: Governance and Accountability for Smaller Authorities in England.

The review was carried out during a site visit on 14/10/2026. All required information and records was provided by the Parish Council Manager ("PC Manager") who also assisted in providing explanations to any queries.

As part of the review the following work was undertaken:

Policies

Reviewed the policies and strategies the Council has in place including checking that the policies are being adhered to:

- Financial Regulations – last reviewed by Council February 2026, I understand that this is in the process of being reviewed
- Standing Orders – last reviewed by Council February 2026, I understand that this is in the process of being reviewed
- Risk Assessment – last reviewed by Council February 2026, I understand that this is in the process of being reviewed
- Borrowing & Investment Strategy – I understand that this is in the process of being reviewed
- IT Policy – last reviewed by Council September 2025
- Data Protection Policy – last review by Council September 2025

The Council last reviewed the effectiveness of its internal controls in May 2026.

Income

Reviewed all the income for the period including reviewing in detail every income transaction in a sample month, May 2026, including:

- Village hall bookings
- Bar takings
- Burial, cremation, memorial, etc income
- Rent
- Library income

All income (including deposits) matches against invoices / receipt books, is recorded correctly on accounting system, is received into the bank account, and is included in income reported to Council.

Checked that the received precept income is consistent with the precept claimed.

Expenditure

Reviewed all the expenditure for the period including reviewing in detail every expense transaction in a sample month, May 2026. All the expenditure was checked against:

- purchase invoices which have been approved by the PC Manager and other staff as appropriate
- payment instruction generated by the PC Manager and authorised by two bank signatories, or credit card transaction or direct debit payment
- the payments listed and approved by the Council at May meeting
- bank and credit card statements
- and recorded correctly in the accounting system

Bank Reconciliations

In line with the Financial Regulations these are completed for all bank accounts monthly by the PC Manager and verified by Council members. The reconciliation and bank statements are initialled recording the verification.

Payroll

It appears that all staff have appropriate contracts and are on the correct pay scale. For the sample month, April 2026 paid May 2026, it appears that hourly staff were paid for hours worked, the correct pension contributions were made, the correct tax and NIC were made and the net salary payments matched against the actual payments through the bank account. The payments were approved at the May 2026 Council meeting. The payroll expenses were correctly recorded in the accounting system.

Other matters

The following other matters were reviewed:

- Petty cash – recorded correctly. I note that use of petty cash has significantly reduced over the years. I understand that the PC Manager is reviewing whether to stop using petty cash and is reviewing other options
- Budget – reviewed the actual figures vs budgeted figures and discussed discrepancies with PC Manager.
  Noted that Burial fees and Cremation fees (income) are both already at approximately the budgeted income for the year after only 6 months. It was noted that these are, by nature, unpredictable and have been unusually busy so far this year

and there have been higher fees due to more purchases from outside of Countesthorpe.
Noted that Funding for projects is low for the 6 months (c.£750) compared to the expected budget for the year (£14,000). It was noted that the library doors repairs is listed elsewhere under a repair expense code, it has been decided some projects will not be possible this year and some projects will be undertaken in the second half of the year.

- Checked that the opening balances for 2026/27 in the accounting system match the year end figures for 2025/26.
- Reviewed use of earmarked reserves
- Fixed asset register appears up to date
- Insurance is in place and appears to be sufficient to cover the assets listed in the asset register
- Reviewed the Council's website checking that required documentation has been published at the right time
- The 2025/26 Public Notice was completed correctly and had the required 30 working day period (03/06/2026 – 14/07/2026)
- The statutory disclosure / publication requirements in respect to 2025/26 AGAR were met
- VAT reclaims are prepared and submitted in a timely manner
- It was noticed that the most recent wet stock valuation had two figures £3,474.75 on the Audit Report (this is the figure used in the Council accounts) and £5,070.63 on the Valuation Certificate. The PC Manager is going to liaise with the valuer to ascertain the correct figure to be used.