

Narrative Internal Audit Report

to be read in conjunction with the Annual Internal Audit Report in the
Annual Governance and Accountability Return 2025 - 2026

Name of Authority:	East Goscote Parish Council		
Name of Internal Auditor:	Jo Ambrose	Year ending:	31 March 2026
Date audit carried out:	14 May 2026	Date of report:	27 May 2026

As internal auditor, I confirm that I am independent of your authority and competent as required by the Smaller Authorities Proper Practices Panel (SAPPP) *Practitioners Guide*. I confirm that I have no connection with your authority that will conflict with my role as internal auditor and that I am not involved in any aspect of decision-making, management or control of your authority.

Internal audit is the periodic independent review of an authority's internal controls. This should result in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the authority's internal controls should be a day-to-day function through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of an authority to detect error or fraud. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.

The proper practices referred to in the [Local Audit and Accountability Act 2014](#) and [Accounts and Audit Regulations 2015](#) are set out in the *Practitioners Guide*. This is a guide to the accounting practices to be followed by local councils which sets out the appropriate standard of financial reporting to be followed.

- Section 4.11 of the *Practitioners' Guide* asserts that the personal, financial and professional independence of the appointed person or firm should be reviewed every year.
- Section 4.16 requires that authorities should carry out a review of the effectiveness of their overall internal audit arrangements, at least once each year.
- In addition, section 1.38 specifies that the authority is required to have considered all matters brought to its attention by its external auditor and internal audit and taken corrective action as appropriate.

Failure to take appropriate action may lead to a qualified audit opinion.

This report is addressed to your chair for circulation to all members. It should be considered in a meeting of the full council or parish meeting.



To the Chair of East Goscote Parish Council

In accordance with the terms of my engagement, I have undertaken a review of East Goscote Parish Council's records, policies and procedures for the financial year ending 31 March 2026. I enclose a completed and signed Annual Internal Audit Report for the AGAR 2025-2026.

The internal audit exercise was compiled following several independent tests/checks being undertaken using various financial records, documents, agenda's, minutes, policies etc; both through the official website and during an audit meeting with your Clerk & RFO, Liz Pizer on 14 May 2026. I would like to thank Liz for her time and cooperation during this process.

The testing for evidence compliance is against 19 segments contained in the LRALC Internal Audit Service Checklist and the 15 statements in the Annual Governance and Accountability Return (AGAR).

The following topics were reviewed with the following outcomes and audit trails:

Governance

- Checks showed that meetings are lawfully called (Councillors duly summoned), with the following sample agendas checked against minutes 19 May 2025, 22 September 2025, 15 December 2025, 19 January 2026 and 27 February 2026.
- There is a standing agenda item 'Urgent items by permission of the Chairman' which is also minuted. While urgent items can be discussed, the council cannot make a lawful decision on them if they require expenditure or commit the council to a new policy, as no prior public notice was given. General "AOB" is generally prohibited. Any urgent item accepted by the Chair must be a specific, previously unforeseen matter that absolutely cannot wait until the next scheduled meeting. **Recommend this practice is reviewed and whether an agenda item such as 'ward reports' be more suitable for Councillors to report matters to Council.**
- Scanning the minutes there did not appear to be any unusual activity.
- Minutes were initialled by page and signed by the chair at the following meeting.
- Standing Orders had been reviewed in line with the Standing Orders at the Annual Council Meeting on 19 May 2025 and adopted.
- Financial Regulations had been reviewed in line with the Standing Orders at the Annual Council Meeting on 19 May 2025 and adopted.
- The Annual Parish Council Meeting agenda on 19 May 2025 is a reflection as per the Standing Orders.
- The Accessibility Statement was reviewed on 13 October 2025.
- The Code of Conduct was adopted in 2022 but has not been reviewed prior to the current internal audit.
- The Council has a Complaints Procedure which was last reviewed 16 June 2025, minute ref: 25/054.
- The Council has an Equal Opportunities Policy which was last reviewed 24 February 2025, minute ref: 24/228.
- The Council has a Data Protection Policy which was last reviewed 22 September 2025, minute ref: 25/104e.
- GDPR training for all Councillors took place on 13 October 2025 as agreed by Council on 22 September 2025, minute ref: 25/104 g(1).
- The Council has an IT Policy which was last reviewed 27 February 2026, minute ref: 25/236 c.
- The Council has a Privacy Policy which was last reviewed 22 September 2025, minute ref: 25/104 e.
- The Council has a Publication Scheme which was last reviewed 28 July 2025, minute ref: 25/079.
- RFO is the clerk who is correctly appointed.
- The Council is not eligible for the General Power of Competence.
- S137 expenses are separately recorded and clearly on minutes 28 July 2025, 25/074, 22 September 2025 minute ref 25/101 and 27 February 2026, minute ref 25/229.



- Total S137 in cashbook is £5077.64 which is within the limit of £11.10 per elector of 2199. The following are correctly recorded under S137:
 - Long Furrow Magazine £500
 - RBL (poppy wreath) £17.92
 - The Range (Chair allowance) £23.99
 - Post Office (Chair allowance) £50.00
- Some S137 expenditure has been recorded incorrectly, see below. **Recommend Clerk revisits the powers available, as S137 is a power of last resort.**
 - Professional Membership LGA s112 £872.06
 - Legal & General (health cover) LGA s112(1) £172.23
 - Training LGA 1972 s111 £145
 - Christmas lights LGA 1972 s144 £104.40
 - Membership LGA s112 £200.00
 - TLB LGA 1972 s144 £750.00
 - Eyeware LGA s111 £200
 - Chart Media LGS s145 £48.00
 - EGVHMC LGS s145 £81.25
 - Velvet Souls LGS s145 £150.00
 - R FAZACKERLY LGS s145 £64.21
 - Costco LGS s145 £184.91
- Electronic files are backed up to a hard drive monthly.
- The Register of Councillors interests link is direct to Charnwood Borough Council website.
- The legal powers for payments are clearly listed in the cashbook and in minutes, the following were checked, 19 May 2025, minute ref: 25/016, 22 September 2025 minute ref 25/101, 19 January 2026,
- The Council has a Staffing Committee which was held on 15 April 2025 and closed to the public appropriately. The minutes are marked confidential, which is not lawful. Even if the committee discussion relates to confidential items, council must still provide minutes which are available to the public. **Recommend Council revisit how confidential sessions are minuted.**
- The Terms of Reference for the Staffing Committee are available on the website and were last reviewed in April 2025.

Accounting Records

- All details were satisfactorily recorded in the financial ledger, and all appeared to be in order.
- A sample of transactions were checked between cashbook, bank statements and VAT return where applicable, Biffa Waste £136.37 agreed 19 May 2025, Online Playgrounds £80.72 agreed 28 July 2025, Glenfield Associate £420 agreed 22 September 2025, David Stanley Sales £5010.00 agreed 24 November 2025, Amazon £33.95 agreed 19 January 2026 and Playsource £5098.20 agreed 16 March 2026.
- The Council use spreadsheets to record financial transactions.
- Payments in the ledger were generally covered by invoices and minuted and authorised at the relevant Council meetings against a list of payments.
- There are two bank accounts with balance details presented to council monthly.
- There were no unexplained balancing entries in any reconciliations.
- The year end bank reconciliation agrees with the bank statements and AGAR, Section 2.

Financial Regulations

- The procedures for tender/quotes were reviewed on 16 May 2025 as part of reviewing the Financial Regulations.
- The values for tenders are consistent between Standing Orders and Financial Regulations.



- The Council has not used any cheques this financial year. Two councillors agree printed schedule which is attached to the invoice. The payment schedule is then signed and dated.
- VAT has been recorded and reclaimed as required and this is completed twice a year; this was last reclaimed on 6 February 2026.
- The Council use the TSB card – impress system which is recorded on the spreadsheet and reconciled monthly.
- The payments in cashbook are supported by invoices, authorised and minuted and the payment schedules is on the website.
- There is evidence of VAT planning on large projects, such as safety surfacing.
- The Council do not use purchase orders; orders are made via emails.
- The purchasing authority is defined in the Financial Regulations.
- Control measures specific to the risks of online banking are detailed in the Financial Regulations.

Risk Management

- The annual risk assessment was last reviewed 22 September 2025, minute ref: 25/106.
- Council underwent a cyber security audit which was reviewed by Council on 27 February 2026, minute ref: 26/236.
- The insurance schedule covers land/assets adequately and was renewed 1 October 2025.
- The monitoring and risk assessment of play equipment etc, was checked annually ROSPA inspection and the caretakers monitor the equipment on a weekly basis completed a risk assessment. Councillors also monitor on a monthly basis.
- The effectiveness of internal control is reviewed annually June 2025.

Budget/ Precept

- The budget was set by the Council on 15 December 2025, minute ref: 25/159.
- The precept was set by the Council on 15 December 2025, minute ref: 25/180.
- The precept request was sent to Charnwood Borough Council in line with the timescales.
- The precept demands in accounts matches the submission made to Charnwood Borough Council of £79,000.
- The Council review periodic reporting of budget quarterly and is clearly minuted.
- A review of earmarked reserves takes place annually and is carried out mainly for projects in the asset register.
- The Council hold reserves of a third of the precept. **Recommend an increase to 6 months operating costs.**
- A breakdown of the budget against the present is on the website.

Income

- There is no income from allotments, cemeteries or hall hire.
- The Council lease the playing field from Charnwood Borough Council on a 99 year lease. Amendments were made recently to add fencing for the scouts with rent increasing by £704.
- There is an appropriate control record of regular payments.

Petty Cash

- Petty cash is managed appropriately and is rarely used.
- This is presented to council for approval.
- A sample of transactions was checked.
- Receipts are recorded and reconciled on a spreadsheet, clearly showing any VAT for reclaim.

Salaries/Employees

- There are currently four employees, Clerk, Deputy Clerk and two caretakers, all with employment contracts which were shown to me during the audit.



- The gross pay is in accordance within the approved scale point and hourly rates.
- Payroll is managed in house using HMRC Basic PAYE Tools.
- Appropriate tax codes and software updates are applied on time.
- Tax and NI appear calculated correctly, resulting in the correct net pay once pension contributions are taken into account.
- The Council use two pension schemes, the Local Government Pension Scheme and NEST Pension.
- The Pension Regulator redeclaration was last submitted January 2026.
- Employers pension percentage contributions are correctly applied.
- The salary details recorded as required in the ledger.
- Salary is approved by council with an annual review in November.

Asset/Investment Register

- The asset register is up to date and last reviewed by Council on 16 June 2025, minute ref: 25/051
- A copy of the asset register is available on the website.
- High value and high risk assets are identified, for example, Sports Pavillion.
- Additions are added when required, for example £19,000 for new safety surfacing. There were no disposal of assets during the year.
- The breakdown of play equipment is shown on the asset register.
- AGAR Section 2 (9) is increased from the previous year due to the new safety surfacing.
- Deeds were held in a locked cupboard in the council office.
- The assets appear covered by the insurance schedule with Clear Councils – Ecclesiastical insurance.
- The asset register was not requested by the insurance company at time of renewal (although sufficient cover in place). **Recommend sending the asset register to the insurance company in future.**
- There are no long term investments.
- There are no loans in place.

Accounting Statements

- The Council operate on a receipts/payments basis.
- Bank statements checked and reconciled with the ledger.
- There is an audit trail from records to presented accounts.
- On the sample payments taken there was evidence of control being approved in Council, minuted and paid accordingly.
- This year's sections 1 & 2 of the Annual Return had been drafted.

Exempt Authorities

- The Council are above the threshold of £25,000 and are therefore not classed as exempt.

Website

- All documentation is published on the website in accordance with the relevant legislation.
- The ICO publication scheme is tailored to the Council and published on the website.
- The council is above the threshold for smaller authorities as they have income/expenditure over the £25,000 threshold. However, the Council are listing all items of expenditure above £100 on their website.
- Agendas are given the three clear days' notice, for example the following meeting date agendas were checked: 19 May 2025, 22 September 2025, 15 December 2025, 19 January 2026 and 27 February 2026.
- Draft minutes are uploaded to the website within one month of the meeting.

Exercise of Public Rights

- The public notice identifies the correct 20 working day inspection period 18 June 2025 to 29 July 2025, and the notice was dated 17 June 2025.



- The dates were for the Exercise of Public Rights were not agreed by Council. **Recommend agenda item for Council to agree the dates at June 2026 meeting.**

AGAR Publication Requirements for Prior Year

- All requirements were met as required by the current AGAR.

Compliance with Laws, Regulations & Proper Practices Relating to Digital and Data Compliance

- The Clerk has a .gov.uk email address on an authority owned domain.
- The Councillors also have a .gov.uk email address.
- The Council website accessibility has been tested and complies with the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018. The website was last tested on 13th October 2025 as clearly stated on the website.
- As advised on GOV.UK the basic accessibility check was used as part of the Council accessibility audit and used the free resources and tools that are available. This avoided a disproportionate financial burden to the Council.
- The Council last conducted a data audit in August 2025 and Article 30 was reviewed by Council on 27 February 2026, minute ref: 25/236.
- The Council has an agreed IT Policy which was reviewed on 27 February 2026, minute ref: 25/136.

Trust Funds

- Not applicable: The Council is not a trustee.

Cemeteries

- The Council do not have responsibility for a cemetery.



Reports from internal and external auditors 2024-2025

All smaller authorities	
Have comments from the internal audit 2024-2025 been considered and addressed?	
Comment from internal auditor 2024-2025	Response from internal auditor for this report
S137 spend is minuted on a separate line.	The Council have incorporated this and S137 spend is clearly minuted separately and also identified in cashbook, no further action.
Consider your risk assessment against possible cyber-attacks.	Discussed by Council 22.09.2025 ref 25/104 (f) council agreed to look at April 2026. Full cyber security review Leics Police 03.02.2026 which was reviewed by Council 27.02.2026, minute ref: 26/236, no further action.
The Notice of Public Rights was issued before the Annual Governance & Accounting Statement (AGAR) document was approved by Council. The AGAR should be approved prior to announcing the Notice of Public Rights to inspect the accounts.	Corrected for year 2024-2025 AGAR agreed 16.06.2025 ref 25/049 & 25/050 Public rights 18.06.2025-29.07.2025 notice dated 17.06.2025 No further action.
The external audit report be brought to the attention of the council and actioned appropriately.	Council meeting 22.09.2025 ref 25/105, no further action.
<i>Please add additional boxes as required.</i>	
<i>If the internal auditor had no recommendations or comments, please record None rather than deleting this table.</i>	

Smaller authorities subject to a Limited Assurance Review for 2024-2025	
Have comments from the external audit 2024-2025 been considered and addressed?	
Comment from external auditor 2024-2025	Response from internal auditor for this report
None	Not applicable
<i>Please add additional boxes as required.</i>	
<i>If the external auditor had no recommendations or comments, please record None rather than deleting this table.</i>	

Recommendations from internal auditor 2025-2026

All smaller authorities	
Recommendations for action from internal auditor for this report	
Areas for consideration or improvement	Recommendation from internal auditor for this report
There is a standing agenda item 'Urgent items by permission of the Chairman' which is also minuted. While urgent items can be discussed, the council cannot make a lawful decision on them if they require expenditure or commit the council to a new policy, as no prior public notice was given. General "AOB" is generally prohibited. Any urgent item accepted by the Chair must be a specific, previously unforeseen matter that absolutely cannot wait until the next scheduled meeting.	Recommend this practice is reviewed and whether an agenda item such as 'ward reports' be more suitable for Councillors to report matters to Council.
Some S137 expenditure has been recorded incorrectly, see below.	Recommend Clerk revisits the powers available, as S137 is a power of last resort.
Staffing minutes are marked confidential, which is not lawful. Even if the committee discussion relates to confidential items, council must still provide minutes which are available to the public.	Recommend Council revisit how confidential sessions are minuted.
Reserves currently a third of precept	Recommend an increase to 6 months operating costs.
The asset register was not requested by the insurance company at time of renewal.	Recommend sending the asset register to the insurance company in future.
Recommend full Council agree the Notice of Public Rights dates	Recommend adding to Agenda for Council to agree.
<p><i>Please add additional boxes as required.</i></p> <p><i>If the internal auditor has no recommendations relating to areas to be considered or improved, please record None rather than deleting this table.</i></p>	



Annual Internal Audit Report 2025/2026

Internal control objective		Explanation if required
A <i>Appropriate accounting records have been properly kept throughout the financial year.</i>	Yes	
B <i>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.</i>	Yes	
C <i>This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</i>	Yes	
D <i>The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</i>	Yes	
E <i>Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</i>	Yes	
F <i>Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.</i>	Yes	
G <i>Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.</i>	Yes	
H <i>Asset and investments registers were complete and accurate and properly maintained.</i>	Yes	
I <i>Periodic bank account reconciliations were properly carried out during the year.</i>	Yes	
J <i>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 were properly recorded.</i>	Yes	
K <i>If the authority certified itself as exempt from a limited assurance review in 2024/25, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2024/25 AGAR tick "not covered")</i>	Not covered	
L <i>The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation</i>	Yes	
M <i>In the year covered by this AGAR, the authority correctly provided for a period, for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2024-2025 AGAR period, were public rights in relation to the 2024-25 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).</i>	Yes	
N <i>The authority has complied with the publication regulations for 2024/25 AGAR (see AGAR Page 1 Guidance Notes)</i>	Yes	
O <i>The authority has complied with laws, regulations & proper practices relating to digital and data compliance</i>	Yes	
P <i>(For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee</i>	Not applicable	



Section 2 - Accounting Statements 2025/2026

	Year ending		Notes and guidance
	31 March 2025 £	31 March 2026 £	
			<i>All figures should be rounded to the nearest £. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.</i>
1. Balances brought forward	63,716	68,929,	<i>Total balances and reserves at the beginning of the year are recorded in the financial records. Value musty agree to Box 7 of previous year.</i>
2. (+) Precept or Rates and Levies	72,000	79,000	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	10,580	35,960	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	44,661	48,019	<i>Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.</i>
5. (-) Loan interest/capital repayments	0	0	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	32,706	54,885	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	68,929	80,985	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short-term investments	68,929	80,985	<i>The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.</i>
9. Total fixed assets plus long-term investments and assets	593,920	612,920	<i>The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.</i>
10. Total borrowings	0	0	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>

For Local Councils only

11. Do the figures in the accounting statements above exclude any trust transactions	Yes	<i>For guidance refer to the Practitioners' Guide sections 2.31 to 2.33.</i>
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In conclusion, I would like to thank Liz for her support and time throughout the auditing process.

Yours sincerely



Jo Ambrose
LRALC Internal Auditor

LRALC
Internal Audit Service

