

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:	WHITWICK Parish Council		
Name of Internal Auditor:	Catherine Camp	Year ending:	31 March 2026
Date audit carried out:	23 June 2026	Date of report:	23 June 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 Whitwick Parish Council

I met with Sharon Kaye, (Clerk & Responsible Financial Officer) on 23rd June 2026 to carry out an Internal Audit of Whitwick Parish Council.

The Internal Audit was carried out by scrutiny of the parish website, email, and a video-conference zoom call. I would like to take the opportunity to thank Sharon for her assistance with providing the required documents to allow me to test both the procedural and financial governance of the council.

Whitwick Parish Council has 11 seats, and at the time of the Internal Audit they had a full compliment of 11 Councillors. This means that they need 4 Councillors present to be quorate.

I firstly checked that last years Audit paperwork was published on the parish website. All required documents were available as required by Regulation 15 (2) Accounts and Audit Regulations 2015, however since the Internal Audit was carried out very late last year the period for exercise of public rights did not include the first 10 days of July as required by legislation.

I examined councils' arrangements for the management and control of its bookkeeping, risk assessment, budget setting and monitoring, asset register, payroll, due process and compliance with proper practises as set out in the Practitioners Guide. Risk assessments have been carried out during the year, Standing Orders, Financial Regulations and policy documents have been reviewed.

The Council does not record money received or payments made within the minutes, and although the bank balance is reported and minuted at each meeting the recording of financial data is not minuted in a clear and transparent way. Spend against budget was not monitored on a regular basis and quarterly bank reconciliations were not provided to councillors and recorded in the minutes..

Minutes are not produced in a timely manner for approval at the following meeting. A council should sign off the previous minutes at the next available council meeting and ensure they are dated and signed to verify that they are an accurate record of proceedings. It is not acceptable to sign off minutes from a meeting held in January in July.

The schedule of meeting dates is agreed annually but is regularly altered with additional meetings added at short notice, which will make it difficult for residents to know when meetings are taking place.

On questioning the Clerk I am satisfied that there is effective segregation between setting up of online payments and physical release of those payments. For improved transparency the list of money received each month, and the list of payments made should be included as part of the minutes since the minutes are the formal record of the decisions of the meeting.

The Council is not eligible to hold the General Power of Competence so they must have a separate column within the cashbook to record any spend under LGA 1972 s137.

When relying on the Free Reserve LGA s137 to make payments, the decision must be specifically authorised by resolution, and the Council must satisfy themselves that it is in the interests of the parishioners. eg "Resolved that the Council in accordance with its powers under sections 137 of the Local Government Act 1972, should incur the following expenditure, which in the opinion of the Council, is in the interest of the area or its inhabitants and will benefit them in a manner comensurate with the expenditure".

The Transparency Code for Small Authorities 2015 applies to Whitwick since it is of over £200,00. The Council needs to ensure it complies with this code, which requires a minimum of quarterly publishing of expenditure >£500 and publishing of any contracts of >£5000 (to be published not later than one month after the quarter).

The Council needs to familiarise themselves with the code to ensure full compliance.



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
Personal information needs to be redacted in line with GDPR requirements from Agenda documents.	Personal information is now being redacted and the Clerk has attended GDPR training.
An annual Risk Assessment was not carried out	Risk Assessment was carried out JULY 2025
The budgetary process was not recorded adequately within the minutes.	The Budgetary process was properly recorded. Both budget figures and precept figures were minuted.
Errors were found on payroll transactions	I found no evidence of any further errors.

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	

2 External auditor limited assurance opinion 2024/25

Except for the matters reported below on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with the Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

The AGAR was not approved until after 30 June 2025 which is a breach of the Accounts and Audit Regulations 2015.

The council has recorded a 'yes' response at assertion 1 which relates to the council complying with proper practice. Following our review of the internal auditor's report, a point was raised that the budget and precept were not set at a full council meeting as required by paragraph 1.8 of JPAG Practitioners' Guide 2024. Therefore, since this is a breach of proper practices, we would have expected assertion 1 on the Annual Governance Statement to be answered 'no'.

The council has confirmed that during the year they did not review certain governance documents including their internal controls. The council is required to review the effectiveness of its internal controls on an annual basis as per the Accounts and Audit Regulations 2015 Section 6 Paragraph 1 and the JPAG Practitioners Guide 2024 at Paragraph 1.20. Therefore the council should have provided a 'no' response at assertion 2 on its 2024/25 Annual Governance Statement.

On review of the information provided by the council it has been brought to our attention that there were accounting errors in box 9 of the comparative column. We would have expected the comparative column on the AGAR to have been restated to reflect the correct value and the box marked in that way to draw it to the attention of the reader. We do not anticipate this being an issue next year.

Other matters not affecting our opinion which we draw to the attention of the authority:

The inspection period for the exercise of electors' rights provided in respect of the 2024/25 AGAR does not include the first ten working days of July as specified in the Accounts and Audit Regulations, Part 15 (1). We would anticipate this being taken into account when completing assertion 4 of the Annual Governance Statement on the 2025/26 AGAR.

Please note that the reconciliation between boxes 7 and 8 and the breakdown of reserves held were not provided to us on the initial submission of the AGAR and supporting documentation. They were later provided on request. Please would you ensure these documents are included within the initial submission going forwards.

On initial submission of the AGAR, Section 1 and 2 did not include the minute references. This was queried and resubmitted with the information completed.

Information to complete our intermediate testing supporting data need to be re-requested for submission. The parish council should in future ensure that all the necessary supporting information is provided with their annual submission.

Response from internal auditor for this report

Whitwick Parish Council has once again left its Internal Audit very late and will have to call an extraordinary meeting of the full council to approve the AGAR. This is scheduled for 25th June.

Please note that since the inspection period for the 2024/25 AGAR did not include the first 10 days of July, the Council must answer "no" to Assertion 4 of the

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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
Minutes	Minutes need to be produced prior to the next meeting of the Council.
Dates of Meetings	Set regular meeting dates, and try to stick to them.
Financial Reporting - more transparency required.	Include all money received and all payments made within the body of the minutes. Carry out a Bank reconciliation and record in the minutes on a minimum of a quarterly basis.
Legal Powers - s137	Keep a separate column in the cash book and ensure at the time of agreeing the spend that the Councillors check that it will benefit the local community.
Carry out an Annual Data Audit	Ensure website and IT stay compliant with Assertion 10
Comply with Transparency Code 2015	

Although there is still a lot of room for improvement, it is evident that the Council has made some progress during the year to produce minutes in a timely fashion and include more financial detail within those minutes. Since Bank reconciliations were not recorded in the minutes I am unable to answer yes to Assertion "I" . The public rights period did not include the first 10 days of July so did not comply with Audit and Accounting regulations so I am unable to answer yes to Assertion "M".

I am pleased that having tested all aspects of the councils internal controls based on the information made available to me, I am satisfied that most of the internal control objectives were achieved throughout the year and have signed the Annual Internal Audit Report (AIAR) 2025/26 accordingly.



Annual Internal Audit Report 2025/26

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>	Not covered	The Council does not hold Petty Cash.
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>	No	These were not recorded within the minutes
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	The council is not eligible for exemption
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>	No	The Period of Exercise of public rights did not include the first 10 days of July.
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>	Yes	



Section 2 - Accounting Statements 2025/26

	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	328,040	365,568	<i>Total balances and reserves at the beginning of the year are recorded in the financial records. Value must agree to Box 7 of previous year.</i>
2. (+) Precept or Rates and Levies	311,190	331,925	<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	32,128	33,658	<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	93,766	136,517	<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	212,024	216,107	<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	365,568	378,527	<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	333,560	371,927	<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	185,437	207,040	<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	For guidance refer to the Practitioners' Guide sections 2.31 to 2.33.
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Yours sincerely,

Catherine M Camp

LRALC Internal Auditor

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