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The Parish Councillors
Sherfield English Parish Council
c/o Ms M Taylor

2nd June 2026

Dear Ladies and Gentlemen

Internal audit – year ended 31st March 2026

Further to my post year-end review, I am pleased to report that I have now completed my internal audit review and have signed off the internal audit section of the AGAR for 2025-26.

My internal audit was based on the guidelines included in the 2025 Practitioners' Guide to Proper Practices ("PG"), with reference to the 2026 edition regarding the new Assertion 10. This includes an assessment of risk and a selective assessment of compliance with the relevant procedures and controls in operation.

Appendix 1 contains a summary of the audit work undertaken this year. Appendix 2 contains details of information that is required to be made available under the Transparency Code. Appendix 3 contains the figures that will be included on the Accounting Statements within the Annual Return.

Follow-up from previous years

I have not had sight of the full internal audit report from 2024-25, and nor has the current Clerk.

I have also not seen the external audit report for 2024-25 which should have been posted on the Council website before 30th September 2025. On that basis I have had to state that the Council did not publish the necessary documents – see section N below. I understand that the new Clerk does not have a copy of this document and I suggest that a copy is requested from the external auditors.

Overall conclusion

This was once a year of change as there were two Clerks and a locum Clerk. Financial records have finalised after the year end as the current Clerk did not have always have access to bank statements. I understand that the Council has started the process to change banks to a bank which will grant the Clerk access to online banking which should make record keeping much simpler in the current year. There have been some problems with governance matters such as the publishing of the external audit report and the operation of payroll. From my correspondence with the Clerk, I'm satisfied that these matters should all be resolved in 2026-27.

New annual governance statement assertion in the 2025-26 AGAR

A new governance assertion has been introduced in the 2025-26 AGAR, covering digital and data compliance. The Council meets the basic standards and I understand that a thorough review of GDPR compliance will be undertaken in 2026-27.

Annual Internal Audit Report (contained within the AGAR)

I have signed the internal audit report on the AGAR with all applicable objectives having been met apart from the exceptions as follows:

- Objective G Lack of payroll registration with HMRC
- Objective N The external audit report for 2024-25 was not published on the Council website.

I should like to thank the Clerk for her assistance during the audit.

Yours faithfully



Claire Connell

Appendix 1: Summary of internal audit findings in 2025-26

<u>Annual Internal Audit Report Section</u>	<u>Objective met?</u>	<u>Comments</u>
<p>A. Appropriate accounting records have been properly kept throughout the year</p>	<p>Yes</p>	<p>The accounts have been maintained in spreadsheets created by the Clerk. These are adequate for the Council's purposes.</p> <p>As noted above, it will be easier for the Clerk to maintain the accounting records when she has online access to the banking records.</p>
<p>B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for</p>	<p>Yes</p>	<p>A sample of payment invoices was checked to ensure that they had been correctly paid and VAT treated correctly. No errors were found.</p>
<p>C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</p>	<p>Yes</p>	<p>The authority did not review the Risk Management Policy during the year as required by the Practitioners' Guide and Financial Regulations although it did minute the fact that it had continued to adhere to the principles and provisions contained within the previously adopted version of that document.</p> <p>The Risk Assessment for the previous year which was reviewed as part of the audit seems comprehensive and there have been no significant changes in activity that would need to be added to the assessments.</p> <p>On the basis of the minute and the comprehensive documents from the previous year, I think the authority did consider the risks.</p> <p>I understand from the Clerk that a full review of Risk will be undertaken in 2026/27.</p> <p>Minutes and insurance cover do indicate that there are proper risk assessment and management procedures at an operational level.</p> <p>The current Standing Orders and Financial Regulations are not based on the latest model templates available from NALC. I understand that these documents will be updated with reference to the model templates in 2026/27.</p>
<p>D. The precept resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</p>	<p>Yes</p>	<p>The budget for 2026/27 was reviewed. The procedure appeared thorough.</p>
<p>E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</p>	<p>Yes</p>	<p>The precept was agreed to the minutes and to MHCLG record of precepts .</p> <p>No VAT claim was made in the year. A VAT claim will be made in 2026-27.</p>

Appendix 1: Summary of internal audit findings in 2025-26 (continued)

<p>F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.</p>	<p>N/A</p>	<p>No petty cash is held.</p>
<p>G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.</p>	<p>No</p>	<p>The Council was not registered with HMRC as an employer despite the fact that the new Clerk had another employment elsewhere at the time of starting at Sheffield English Parish Council.</p> <p>Whilst the salary is below the Employers National Insurance threshold, it is possible that PAYE should have been deducted from the salary.</p> <p>I understand that the Council will be registering with HMRC as a matter of urgency.</p>
<p>H. Asset and investments registers were complete and accurate and properly maintained.</p>	<p>Yes</p>	<p>An adequate fixed assets register is maintained in Excel.</p> <p>It has been updated for the purchase of the laptop during the year..</p>
<p>I. Periodic and year-end bank reconciliations were properly carried out during the year</p>	<p>Yes</p>	<p>The year end bank reconciliation was agreed.</p>
<p>J. 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.</p>	<p>Yes</p>	<p>The accounts are maintained on a receipts and payments basis which is appropriate for a council of this size.</p> <p>The figures in the AGAR agree to the cashbook.</p>
<p>K. 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.</p>	<p>N/A</p>	<p>Not applicable – the Council had an external audit in 2024-25.</p>
<p>L. 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.</p>	<p>Yes</p>	<p>AGARs for the past five years are available on the website as required by the Accounts and Audit Regulations 2015.</p> <p>Other relevant information is provided in accordance with the Transparency Code (see appendix 2). The information for the previous year was published at the correct time. The information for the year being audited will be published before the deadline of 1st July.</p>

Appendix 1: Summary of internal audit findings in 2025-26 (continued)

M. In the year covered by this AGAR, the authority correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.	Yes	Proper opportunity was provided and this was correctly advertised.
N. The authority has complied with the publication requirements for 2024/25 AGAR (see AGAR Page 1 Guidance Notes).	No	The external audit report and a notice of conclusion of audit were not posted on the website before 30 th September 2025 as required by the Accounts and Audit Regulations 2015.
O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance	Yes	The Council has adopted an IT policy during the year. The website contains an accessibility statement and a check of the website has indicated that it is mostly compliant with the accessibility rules, with only a small number of minor errors. A privacy statement is available on the website. I understand that a thorough review of GDPR compliance will take place in 2026-27.
P. Trust Funds (including charitable) - the Council met its responsibilities as a trustee	N/A	The Council is not a trustee of any charity.

Appendix 2– Transparency Code Disclosures

Item	Detail required
All items of expenditure > £100	Date, summary of purpose, amount, irrecoverable VAT
End of year accounts	Also Bank Rec Variances Reserves reconciliation
Annual governance statement	Include explanation of negative responses
Internal audit report	
List of councillor responsibilities	Names, committee membership & function, representation on external local public bodies
Details of public land & building assets	
Minutes, agendas & meeting papers of formal meetings	Draft minutes not later than 1 month after meeting taken place

Items to be published not less than annually and not later than 1 July in the year immediately following the accounting year to which it relates.

Appendix 3 – AGAR accounting statement figures

AGAR box number		2024/25 £	2025/26 £	Internal auditor comments
1	Balances brought forward	32,279	9,949	Agreed
2	Precept	11,000	12,000	Agreed to government central precept record
3	Total other receipts	3,098	-	Agrees to the accounting records
4	Staff costs	2,471	2,712	Agrees to the accounting records
5	Loan interest/ capital repayments	-	-	There is currently no borrowing
6	All other payments	33,957	9,439	Agrees to the accounting records
7	Balances carried forward	9,949	9,798	

8	Total value of cash and short-term investments	9,949	9,798	Agrees to bank reconciliations and bank statements
9	Total fixed assets and long-term investments	182,348	182,647	Agrees to fixed asset register
10	Total borrowings	-	-	There is no borrowing

For local councils only		Yes	No	
11	Do the figures in the accounting statements above exclude any trust transactions?	✓		<i>For guidance refer to the Practitioners' Guide sections 2.31 to 2.33</i>

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Supporting information for assertions G and N on the Internal Audit Report for the year ended 31st March 2026

G. 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 have stated that internal control objective G has not been met on the internal audit report for the following reason:

The Council was not registered with HMRC as an employer during the year and thus it was not able to apply PAYE requirements properly.

N. The authority has complied with the publication requirements for 2024/25 AGAR

I have stated that internal control objective N has not been met on the internal audit report for the following reason:

The Council did not publish the external audit report and a notice of conclusion of audit before 30th September 2025 as required by the Accounts and Audit Regulations 2015.



Claire Connell

Date: 2nd June 2026