Annual Internal Audit Report 2025/26

MITFORD PARISH COUNCIL

WWW.mitfordparishcouncil.gov.uk.

During the financial year ended 31 March 2026, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2025/26 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.			✓
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.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
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.	✓		
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. *(If the authority had a limited assurance review of its 2024/25 AGAR tick "not covered")*	✓		
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.	✓		
M. 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 2025/26 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).*	✓		
N. The authority has complied with the publication requirements for 2024/25 AGAR *(see AGAR Page 1 Guidance Notes).*	✓		
O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.	✓		
P. **(For local councils only)** Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable ✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed). Date(s) internal audit undertaken

25/04/2026 DD/MM/YYYY

Name of person who carried out the internal audit

T. BELL NAME OF INTERNAL AUDITOR

Signature of person who carried out the internal audit T. Bell. SIGNATURE REQUIRED

Date 25.4.2026. DD/MM/YYYY

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report **must explain why not (add separate sheets if needed).

67 Burnstones
Newcastle
NE5 2DF
25.4.26

Dear Miss Smith

Internal Audit – Mitford Parish Council financial year ended 31st March 2026

I have completed the internal audit for the 2025/2026 financial year.

I enclose a copy of my assessment of the systems of internal control and my audit checklist detailing the checks completed.

I have carried out the audit in accordance with the Accounts and Audit Regulations 2015 and the Governance and Accountability for Smaller Authorities 2018.

I am satisfied that the financial and administration systems of Council remain robust and I have no matters or issues to bring to the Council's attention about 2025/26.

The Practitioners' Guide 2025 which is published by the Smaller Authorities Proper Practices Panel (SAPPP) set out the requirements for the 2025/26 AGAR. This included a new Assertion 10 covering Digital and data compliance, which I can confirm the Council has compiled with.

I have completed the internal audit section of the AGAR.

Yours Sincerely

Mrs T Bell

SYSTEM OF INTERNAL CONTROL

I have provided an internal audit service for Mitford Parish Council for the financial year ending 31 March 2026 and acting independently, I examined the system of internal control by undertaking the following tests and reporting my findings to the Council.

	TEST	UNDERTAKEN
1	Checking that books of account have been properly kept throughout the year to date	Yes
2	Checking a representative sample of payments (100% of all transactions 1 April – 31st March 2026) to ensure that the Council's financial regulations have been met, invoices support payments, expenditure is approved and VAT is correctly accounted for	Yes
3	Reviewing the Council's risk assessment records and ensuring that adequate arrangements and insurance cover are in place to manage all identified risks.	Yes
4	Verifying that the annual precept request is the result of a proper budgetary process; that the budget process has been regularly monitored and that the Council's reserves are adequate	Yes
5	Checking of income records to ensure that correct prices have been charged, income received, recorded and promptly banked and VAT is properly accounted for.	Yes
6	Reviewing petty cash records to ensure receipts support payments, expenditure is approved and VAT is correctly accounted for.	N/A
7	Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied.	Yes
8	Checking the accuracy of the assets and investment records	Yes
9	Evaluating the accuracy and timeliness of periodic and year-end bank account reconciliations.	Yes
10	Year-end testing on the completeness and accuracy of the financial statements	Yes

Based on my initial interim examination of the Council's records, which is limited to the tests indicated above, it is my view that the Council have a system of internal controls in place that are adequate and effective for the purpose intended. Where considered appropriate, I have made recommendations to the Council for both reference and action.

Tracey Bell
Internal Auditor Date: 25.4.26

Section 1 – Annual Governance Statement 2025/26

We acknowledge as the members of:

MITFORD PARISH COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2026, that:

	Agreed		'Yes' means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.			*prepared its accounting statements in accordance with the Accounts and Audit Regulations.*
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.			*made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.*
3. We have assured ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.			*has only done what it has the legal power to do and has complied with Proper Practices in doing so.*
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.			*during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.*
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.			*considered and documented the financial and other risks it faces and dealt with them properly.*
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.			*arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.*
7. We took appropriate action on all matters raised in reports from internal and external audit.			*responded to matters brought to its attention by internal and external audit.*
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.			*disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.*
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A	*has met all of its responsibilities where as a body corporate it is a sole managing trustee of a local trust or trusts.*
10. We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review.			*has made suitable arrangements for its IT and data management and has complied with proper practices in doing so.*

*For any statement to which the response is 'no', an explanation **must** be published

This Annual Governance Statement was approved at a meeting of the authority on:

DD/MM/YYYY

and recorded as minute reference:

MINUTE REFERENCE

Signed by the Chair and Clerk of the meeting where approval was given:

Chair

Clerk

Information required by the Transparency Code *(not part of the Annual Governance Statement)*	Yes	No
The authority website is up to date and the information required by the Transparency Code has been published.		

ENTER WEBSITE ADDRESS HERE

www.mitfordparishcouncil.gov.uk

MITFORD PARISH COUNCIL

Budgetary Control Report 2025/2026 up to 31.03.2026

	2025/2026 Budget	Spend at 31.03.26		Expected turn out
			sub-total	
	£	£ p	£ p	£
Balance brought forward at 1st April 2025	**17,584.80**		**17,584.80**	
Add Receipts				
Precept 25/26			9,672.00	9,672
VAT Reclaim			0.00	
Allotment rent 2026			30.00	30
				0
Receipts to date			**9,702.00**	**0**
Sub-total	**17584.8**		**27,286.80**	**9,702**
Deduct payments				
Clerk's Salary	3,000	2700.00		0
Clerk's travel costs	0	36.00		0
Training costs	0	0.00		0
Insurance	300	417.55		0
Audit fees	300	70.00		0
DPA	0	47.00		0
Subscriptions	0	152.20		0
Village Warden	2900	1852.00		0
Hall Hire	220	0.00		0
Grants	0	1200.00		0
Village Hall & Community	5000	0.00		0
Contingency	1500	0.00		0
Election costs	0	0.00		0
Website/emails	500	1398.80		0
Fayre support	750	0.00		0
Riverbank	0	229.99		
Misc	600	0.00		
VAT paid	0	325.76		0
Payments to date	**15,070**	**0**	**8,429.30**	**0**
Balance in hand per cash book 31.03.26			**£18,857.50**	**9,702**
Cash at Bank 31.03.26			**18,857.50**	
less unpresented payments			**0.00**	
Add income not yet credited			**0.00**	
Agreed to cash book balance			**18,857.50**	

Notes

Unpresented Payments		**£ p**
		£0.00

Earmarked Balances	**b/f**	
Warm Hub Resilience	6000.00	
Contingency	1500.00	
Unreserved Funds	11,357.50	
Total		**18,857.50**

Section 2 – Accounting Statements 2025/26 for

MITFORD PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2025 £	31 March 2026 £	*Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures **must** agree to underlying financial records.*
1. Balances brought forward	13428	17585.	*Total balances and reserves at the beginning of the year as recorded in the financial records. Value **must** agree to Box 7 of previous year.*
2. (+) Precept or Rates and Levies	9300	9672.	*Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.*
3. (+) Total other receipts	1916	30	*Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.*
4. (-) Staff costs	3225	2700	*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.*
5. (-) Loan interest/capital repayments	0	0	*Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).*
6. (-) All other payments	3834	5729	*Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).*
7. (=) Balances carried forward	17585	18858	*Total balances and reserves at the end of the year. **must** equal (1+2+3) - (4+5+6).*
8. Total value of cash and short term investments	17585.	18858.	*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.***
9. Total fixed assets plus long term investments and assets	21502	21502.	*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.*
10. Total borrowings	0	0.	*The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).*

For Local Councils Only	Yes	No	
11. Do the figures in the accounting statements above exclude any Trust transactions?	✓		*For guidance refer to the Practitioners' Guide sections 2.31 to 2.33.*

I certify that for the year ended 31 March 2026 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval.

SIGNATURE REQUIRED

Date 11/04/2026.

I confirm that these Accounting Statements were approved by this authority on this date:

DD/MM/YYYY

as recorded in minute reference:

MINUTE REFERENCE

Signed by Chair of the meeting where the Accounting Statements were approved

SIGNATURE REQUIRED

Explanation of variances – pro forma

Name of smaller authority: MITFORD PARISH COUNCIL

County area (local councils and parish meetings only): NORTHUMBERLAND

Insert figures from Section 2 of the AGAR in all Blue highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- **New from 2020/21 onwards:** variances of £100,000 or more require explanation regardless of the % variation year on year;
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

	2024/25 £	2025/26 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input, DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	13,428	17,585				Explanation of % variance from PY opening balance not required - Balance brought forward agrees	
2 Precept or Rates and Levies	9,300	9,672	372	4.00%	NO		
3 Total Other Receipts	1,916	30	-1,886	98.43%	YES	VAT still to be reclaimed for 25/26	
4 Staff Costs	3,225	2,700	-525	16.28%	YES	Change of clerk March 2025, post in post for one month for handover	
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	3,834	3,834	0	0.00%	NO	New laptop purchased Oct 23 - £532. Speed sign purchased 23/24 - £5371. Twist n Turns June 23 £475. Coronation spend June 2023 £573.	
7 Balances Carried Forward	17,585	18,858			NO	VARIANCE EXPLANATION NOT REQUIRED	
8 Total Cash and Short Term Investments	17,585	18,858				VARIANCE EXPLANATION NOT REQUIRED	
9 Total Fixed Assets plus Other Long Term Investments and As	21,502	21,502	0	0.00%	NO	2 interactive speed signs added to asset list £10743	
10 Total Borrowings	0	0	0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

Certificate of Exemption – AGAR 2025/26 Form 2

To be completed by smaller authorities where the higher of gross income or gross expenditure did not exceed £25,000 in the year of account ended 31 March 2026 and that wish to certify themselves as exempt from a limited assurance review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015

There is no requirement to have a limited assurance review or to submit an Annual Governance and Accountability Return to the external auditor, **provided** that the authority has certified itself as exempt at a meeting of the authority after 31 March 2026 and a completed Certificate of Exemption is submitted no later than **30 June 2026** notifying the external auditor.

MITFORD PARISH COUNCIL

certifies that during the financial year 2025/26, the higher of the authority's total gross income for the year **or** total gross annual expenditure, for the year did not exceed **£25,000**

Total annual gross income for the authority 2025/26: 9702-00.

Total annual gross expenditure for the authority 2025/26: 8429-30

There are certain circumstances in which an authority will be **unable to certify itself as exempt,** so that a limited assurance review will still be required. If an authority **is unable to confirm the statements below then it cannot certify itself as exempt** and it **must** submit the completed Annual Governance and Accountability Return Form 3 to the external auditor to undertake a limited assurance review for which a fee of **£210 +VAT** will be payable.

By signing this **Certificate of Exemption** you are confirming that:

- The authority was in existence on 1st April 2022
- In relation to the preceding financial year (2024/25), the external auditor **has not:**
  - issued a public interest report in respect of the authority or any entity connected with it
  - made a statutory recommendation to the authority, relating to the authority or any entity connected with it
  - issued an advisory notice under paragraph 1(1) of Schedule 8 to the Local Audit and Accountability Act 2014 ("the Act"), and has not withdrawn the notice
  - commenced judicial review proceedings under section 31(1) of the Act
  - made an application under section 28(1) of the Act for a declaration that an item of account is unlawful, and the application has not been withdrawn nor has the court refused to make the declaration
- The court has not declared an item of account unlawful after a person made an appeal under section 28(3) of the Act.

If the above statements apply and the authority neither received gross income, nor incurred gross expenditure, exceeding £25,000, then the Certificate of Exemption can be signed and a copy submitted to the external auditor **either** by email **or** by post (not both).

The Annual Internal Audit Report, Annual Governance Statement, Accounting Statements, an analysis of variances and the bank reconciliation plus the information required by Regulation 15 (2), Accounts and Audit Regulations 2015 including the period for the exercise of public rights still need to be fully completed and, along with a copy of this certificate, published on the authority website/webpage* before 1 July 2026. **Signing this certificate confirms the authority will comply with the publication requirements.**

Signed by the Responsible Financial Officer	Date	I confirm that this Certificate of Exemption was approved by this authority on this date:
SIGNATURE REQUIRED	DD/MM/YYYY	DD/MM/YYYY
Signed by Chair	**Date**	**as recorded in minute reference:**
SIGNATURE REQUIRED	DD/MM/YYYY	MINUTE REFERENCE

Generic email address of Authority: dee.smith@mitfordparishcouncil.gov.uk

Telephone number: 07775907001

*Published web address

WWW.mitfordparishcouncil.gov.uk

ONLY this Certificate of Exemption should be returned EITHER by email OR by post (not both) as soon as possible after certification to your external auditor, but no later than 30 June 2026 Reminder letters for late submission will incur a charge of £40 + VAT.