Annual Internal Audit Report 2025/26

Saddleworth Parish Council

saddleworthparishcouncil.org.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. KEY: IA = Internal Audit

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		except for issue 3 in IA report.
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.		✓	see VAT accounting issues in IA report.
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.	✓		subject to issue 5.) in IA report.
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.	✓		except for issue 5.) in IA report.
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.	✓		except for [illegible] issue in IA report.
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")*	N/A		✓
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)*.		✓	see issue 1.) in IA report
N. The authority has complied with the publication requirements for 2024/25 AGAR *(see AGAR Page 1 Guidance Notes)*.		✓	see issue 2.) in IA report.
O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.	✓		*See 1 below
	Yes	**No**	**Not applicable**
P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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: 23/07/2026

Name of person who carried out the internal audit: JDH BUSINESS SERVICES LTD

Signature of person who carried out the internal audit: [signature]

Date: 23/07/26

*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).

1. Disclaimer - scope limited to checking appropriate policies and council-owned domain and email address in place

Saddleworth Parish Council
Financial Year 2025-26
12 months to 31st March 2025

Notes to the Financial Statements – Internal Audit

Internal Audit Report 2025-26

The internal auditor has made a number of recommendations, some of which were raised in previous year's audits and are still being addressed. Most of these relate to VAT.

The Council has taken expert VAT advice to ensure that it claims back any appropriate Input VAT in what is a complex area.

1. Historical S126 claims for FY 2021-22 have been made and reimbursed by HMRC in FY 2025-26 to ensure that these have fallen within the 4-year claims window.

2. All Input VAT relating to Non-Business Council activity will also be claimed as a priority covering the last 3 years. Recent major activity in this area includes work on the Civic Hall car park (rebuilding the wall and repairing the drains) as well as rebuilding the stone bus stop near the Lime Kiln in Uppermill. Work is also ongoing to replace the recently damaged red telephone box in Dobcross.

3. Work on a partial exemption calculation model is ongoing which will be adopted when completed and applied both to prior and ongoing years on the majority of all other activity. Note due to the nature of the SPC supplies it is anticipated that this will be a relatively modest amount each year.