Leicestershire and Rutland ALC	IAS

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:	Stretton Parish Council		
Name of Internal Auditor:	Martin Cooke	Year ending:	31 March 2026
Date audit carried out:	22nd April 2026	Date of report:	28th April 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 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.
- Section 5.103 specifies that the authority is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit.

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 Stretton Parish Council

This internal Audit report was compiled following several independent tests / checks being undertaken using various financial records, documents, minutes etc both through the official website and during a zoom meeting with your Councillor John Stokes who is currently acting clerk & RFO on the 22nd April 2026.

The following topics were reviewed against our standard checklist format:

Accounting records:

- All details were satisfactorily recorded in the financial ledger, and all appeared to be in order.
- Payments in the ledger were covered by invoices and minuted and authorised in council,
- There were 2 bank accounts which were reconciled bi-monthly, and all appeared to be in order.
- VAT was recorded correctly and there was evidence of a claim at year end.

Due Process:

- Standing Orders, Financial Regulations, Code of Conduct & Complaints were all reviewed May 2025 and all approved.
- Data Protection & Equal Opportunity / Diversity were reviewed June 2025 and approved.
- The IT & Privacy Policies were scheduled for review June 2026.

Risk Management:

- Scanning the minutes there didn't appear to be any unusual activity.
- The annual Risk assessment was carried out in May 2025 and recorded accordingly.
- Insurance is with Clear Council and due for renewal June 2026.
- The Council has no responsibility for any Play parks or play equipment.

Budget / Precept:

- The annual Budget and Precept was approved by full council in January 2026 with the precept request being submitted to Rutland County Council.

Income:

- There is no income from Cemeteries, Hall hire or Allotments.

Petty Cash

- There are no petty cash transactions.

Salaries / Employees:

- The Clerk position is currently vacant and has been so for the whole 2025/2026 year so there has been no salary/expenses incurred.

Asset Control:

- Asset register had been reviewed, with a nominal increase of £1 to cover the laptop as per last IA,

Accounting Statements:

- Bank accounts & balances were reviewed and reconciled, and all appeared to be in order.
- Accounting statements were prepared throughout the year, debtors & creditors recorded where necessary and there was evidence of a financial trail through records.
- On the sample payments taken there was evidence of control with all being approved in Council, minuted and paid accordingly.
- The Yearend accounts had been prepared, bank statements and ledgers reconciled.
- This year's sections 1 & 2 of the Annual Return had been drafted ready for signing at the next PC meeting.

Transparency:

- The following were displayed / published as required:
    - End of year accounts / Accounting Statement
    - Annual Governance Statement.
    - Internal Audit report.
    - Asset list.
- Agendas and meeting papers are published as required and draft minutes were generally issued within one month.
- The PC website is easy to navigate and regularly updated.

Exercise of Public Rights:

- "The Notice of Public Rights" was issued and displayed on the website as required.

AGAR Publication for prior year:

- The AGAR Annual Governance & Accounting Statement documents were displayed on the website as required.

Miscellaneous:

- There was evidence confirming the previous internal audit had been reviewed.
- Meeting confirmed electronic files are backed up to USB & Independent device.
- Members interests were noted on the website.
- Minutes were initialled by page and signed by the chair at each meeting.

Annual returns:

- The annual return section 2 details (Year Ending 31st March 2026) are set out at the end of this document.

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**
All minute pages should be initialled	Closed
Add Laptop to assets	Closed
Policy Listing	Closed
Complaints Policy	Closed
Please add additional boxes as required. If the internal auditor had no recommendations or comments, please record None rather than deleting this table.	

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	
Please add additional boxes as required. If the external auditor had no recommendations or comments, please record None rather than deleting this table.	

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**
Policy documents	Create an IT policy & Privacy Policy (Scheduled June 26)
Please add additional boxes as required. If the internal auditor has no recommendations relating to areas to be considered or improved, please record None rather than deleting this table.	

Annual Internal Audit Report 2025/26

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

Section 2 - Accounting Statements 2025/26

	Year ending		Notes and guidance
	31 March 2025 £	**31 March 2026 £**	*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.*
1. Balances brought forward	9494	6586	*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.*
2. (+) Precept or Rates and Levies	8805	5800	*Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.*
3. (+) Total other receipts	166	1930	*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	5270	0	*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	6609	2924	*Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).*
7. (=) Balances carried forward	6586	11392	*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	6586	11392	*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	4954	4956	*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

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.*

Yours sincerely,

Martin D Cooke

LRALC Internal Auditor