



Goxhill Parish Council
Internal Audit Report 25/26
June 2026

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Objective

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in regulation to accounts.

Internal audit is key to the system of internal control. The purpose is to review whether the records reflect the controls detailed in the financial regulations and other controls over the council's activities.

At the request of the council, I have conducted an Internal Audit review based on the guidance in section 4 of the Practitioners Guide 2025/26.

During the 2025/2026 year there was no Clerk in post as the previous Clerk resigned on 17th March 2025.

Methodology





To ensure compliance with the requirements of The Accounts and Audit Regulations 2015 and enable the completion of the Annual Internal Audit Report within the Annual Governance and Accountability Return in accordance with proper practices in regulation to accounts, the Independent Auditor attended the premises of Goxhill Parish Council on the 22nd June 2026, accessing paper documents, the Xero accounting system and information held on the website. In addition, clarification questions were asked of Parish Councillors and Katie Sauvage of Katie Sauvage Accountancy Services Limited, who has been providing financial support in the absence of a Clerk. The following areas were reviewed as part of the Internal Audit:


- A. Appropriate accounting records have been properly kept throughout the year, and Periodic bank account reconciliations were properly carried out during the year.
- B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.
- C. This authority assessed the significant risks to achieve its objectives and reviewed the adequacy of arrangements to manage these.
- D. The precept 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 appropriately accounted for.


- F. Petty Cash payments were properly supported by receipts; all petty cash expenditure was approved and VAT appropriately accounted for.
- G. Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.
- H. Assets and Investment 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 basis.
- K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria.
- L. The authority publishes information on a free to access website, up to date at the time of the internal audit in accordance with the relevant legislation.
- M. The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.
- N. The Authority complied with the publication requirements for the prior year AGAR.
- O. The authority has complied with laws, regulations and proper practices relating to digital and data compliance.
- P. Trust funds (including charitable) – the Council met its responsibilities as a trustee.


Results and Action Points


Key


-  Key concern - Action required immediately.
-  Moderate concern - Action believed to be required.
-  Minor concern - Action believed to be required but not considered a significant issue.
-  No concern - Action not required but the suggested improvement should be considered.



Test	Findings and Recommendations
<p>A. Appropriate accounting records have been properly kept throughout the year, and Periodic bank account reconciliations were properly carried out during the year.</p> 	<p>Goxhill Parish Council have implemented an accounting system (Xero) for their bookkeeping during the year. The bookkeeping records were up to date at the point of carrying out the Internal Audit.</p> <p>Bank reconciliations were properly carried out during the year.</p>
<p>B (i). This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.</p>	<p>The financial regulations document on the website and in the policies folder is the National Association of Local Councils (NALC) model version 2019 and is dated 03/02/2022. It is not clear whether this has been reviewed since this date. NALC have since updated their model policy and a 2025 version of this policy is available. I advise that this should be updated, as the responsibilities have changed and some guidance that was previously "should" is now described as "must".</p> <p>A selection of bank payments have been traced to the original invoice documents.</p> <p>Payments are approved at the monthly council meeting with the suppliers and amounts recorded in the minutes.</p> <p>Please see section B (ii) regarding VAT.</p> <p>(Continued on next page)</p>


Test	Findings and Recommendations
<p>B (i). This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for (continued)</p> 	<p>Hard copies of purchase invoices have been filed manually, in the main purchase invoices were in the file, however sometimes these have been filed in the month the invoice has been received and sometimes in the month the invoice has been paid. In order to ensure it is easier to check the back-up invoices relating to payments the Parish Council may want to attach a copy of the invoice within the Xero accounting system – this will also improve accessibility remotely. Alternatively, if manual filing is continued these should be filed in the order of the payment report, with a sequential numerical reference added to the report.</p> <p>Reimbursements of appropriate expenditure made to Parish Councillors have been recorded in the payment report as payments to the supplier and individual receipts provided. I would recommend that Goxhill Parish Council implement an expenses claim form and attach the receipts to this, in addition, the payments report for transparency should be clear that it is a reimbursed expense to the relevant Parish Councillor as the bank statement would show a different payee to the payments report which could raise concerns especially if receipts are misplaced.</p> <p>It is advised that a dual authorisation process for payments is implemented.</p>


Test	Findings and Recommendations
<p>B (ii). VAT</p> 	<p>VAT returns have been submitted during the year and VAT refunds received. There is clear documentary evidence of the VAT reclaimed and copies of the VAT 126 form submitted to HMRC for the current year.</p> <p>Due to issues highlighted in the previous internal audit report around lack of an audit trail in relation to the VAT there was a delay in the submission of VAT returns.</p> <p>VAT returns submitted during the year: For the period 01/01/25 to 31/03/25 – VAT reclaimed £1,237.88, received 23/01/26. For the period 01/04/25 to 30/06/25 – VAT reclaimed £1,949.73, received 16/01/26 For the period 01/07/25 to 31/10/25 – VAT reclaimed £1,567.01, received 16/01/26 (error in reporting date should have been to 30/09/25) For the period 01/11/25 to 31/12/25 – VAT reclaimed 2,553.41, received 17/04/26 (error in reporting date should have been from 01/10/25)</p> <p>VAT return for the period 01/01/26 to 31/03/26 will be submitted after the year end.</p> <p>Goxhill Parish Council may not have reclaimed all the VAT that they were entitled too in the 2024-25 year due to the lack of audit trail in relation to VAT. Contact will need to be made with HMRC to enable access to the Government Gateway to check whether there are any missing VAT periods.</p>




Test	Findings and Recommendations
<p>C. This authority assessed the significant risks to achieve its objectives and reviewed the adequacy of arrangements to manage these.</p> 	<p>Goxhill Parish Council have a risk assessment document which focusses on operational risks of premises it was prepared on 01/02/23. It is not documented whether this has been reviewed since it was created. Broader risks should be included in the risk register (for example – risks of not having a clerk in post, risks of not submitting VAT returns, risks regarding transparency, financial risks etc)</p> <p>The risk assessments should be reviewed annually, this was mentioned in the previous year’s Internal Audit report that the review date was February 2024.</p> <p>Insurance was renewed during the year and the invoice is in the file however the policy document was not available at the point of completing the Internal Audit report.</p> <p>Consideration should be undertaken as to how documents are retained within the organisation for accessibility – this could be through a cloud-based solution which has been discussed in the minutes. This would allow accessibility for all Parish Councillors and would ensure it is not retained on one person’s computer, which means it is not accessible for other Parish Councillors when needed, also if that computer fails the document may be lost.</p>



Test	Findings and Recommendations
<p>D. The precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</p> 	<p>The 2025-2026 precept was submitted to North Lincolnshire Council incorrectly. The error is £14,500 more than agreed. This was due to an error in the budget. Earmarked reserves were not removed from the calculation of the precept amount. North Lincolnshire Council sent a request for Goxhill Parish Council to check the precept amount but this was not done. This is minuted. It was agreed the overclaimed precept amount could be rectified in the 2026/27 precept request.</p> <p>The Budget was prepared and the precept for 2026-27 calculated from this. It was presented to the full council and approved in the December 25 meeting, 2512/17.</p> <p>Actual income against expenditure Budget reports were prepared for Q1, Q2, Q3 and Q4.</p> <p>The most up to date document available showing earmarked reserves was 2024-25. This should be updated.</p>



Test	Findings and Recommendations
<p>E. Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.</p> 	<p>Tenancy Agreement for the allotment were available to review, renewal payments have been received.</p> <p>A formal burial register is maintained, a sample of the records was checked to the references in the supporting register and was recorded correctly. These were cross checked against the accounting system. It was noted that descriptions in Xero did not always include full information: Note: June 2025 £874 received with description – Sales Need to confirm the paying in slip.</p> <p>Improvements to descriptions in Xero have been implemented regarding the selling of grave sites – this has included the reference number which makes it easy to cross reference against the graves book.</p> <p>VAT has been appropriately accounted for.</p>
<p>F. Petty Cash payments were properly supported by receipts; all petty cash expenditure was approved and VAT appropriately accounted for.</p> 	<p>No Petty cash is held by Goxhill Parish Council.</p>

Test	Findings and Recommendations
<p>G. Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.</p> 	<p>There were no employees during the year.</p> <p>The final salary payment for the clerk relating to the month ending 31 March 2025 was paid on 10 April 2025. The payment made matched the amount as per the payslip.</p> <p>The final Nest pension payment was made on 09 April 2025 this matched the payslip amount required and was paid to the pension provider on time.</p> <p>The final HMRC Payment was £1,000.39 made on 20 May 2025 this matched the payslip. This should have been paid to HMRC by the 22nd April if paying electronically.</p> <p>A Payment of £364.50 was made to HMRC on 16 April 2025. This payment I assume was a late payment from February, although it is not clear as the YTD information on the March payslip only showed March payroll amounts. If this payment related to February 2025 it should have been received by HMRC by 22nd March 2025 if paying electronically.</p> <p>HMRC can charge additional interest for late payments this should be checked using the Government Gateway.</p> <p>The payroll is processed externally. Manual checks of amounts on the payslip were undertaken. PAYE, NI and pension requirements were properly applied.</p>


Test	Findings and Recommendations
<p>H. Assets and Investment registers were complete and accurate and properly maintained</p> 	<p>The fixed asset register was last updated in 2023. It amounts to £87,531 which is £200 lower than the amount reported on the 2024 AGAR form.</p> <p>During the 2024/25 year Fixed Assets amounting to £13,692 were purchased. These along with the £200 addition from 2024 will need adding to the Fixed asset register.</p> <p>During the 2025/26 year the AGAR form has £132,663 of fixed assets an increase of £31,240 from the 2024/25 year (based on the Xero accounting system this included the Muga Surface Replacement £11,505, Play ground equipment 5,698.38, Street Furniture £475, Play Park Expense £13,512). There is a difference of £50 between the AGAR report and potential fixed assets identified.</p> <p>Fixed assets should all be recorded on the fixed assets register.</p> <p>It would be advisable for Goxhill Parish Council keep the fixed asset register updated on a quarterly basis alongside the preparation of the financial reports.</p> <p>There is a section of fixed assets in the 2023 asset register held in trust for the Millenium Green and it is important that these assets are recorded separately and accounted for within the Charity and not within Goxhill Parish Council. There should be a clear segregation between Goxhill Parish Council and the Charity.</p> <p>All expenditure relating to Goxhill Millennium Green Trust should be accounted for through the Trust. This may require a higher level of grant to ensure additional expenses can be covered.</p>

Test	Findings and Recommendations
I. Periodic bank account reconciliations were properly carried out during the year 	Bank Reconciliations were completed during the year.
J. Accounting statements prepared during the year were prepared on the correct basis. 	The financial statements are correctly prepared on a receipt and payments basis.
K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria. 	The authority has not certified itself exempt which is correct.

Test	Findings and Recommendations
<p>L. The authority publishes information on a free to access website, up to date at the time of the internal audit in accordance with the relevant legislation.</p> 	<p>The Parish Council have a free to access website.</p> <p>This is fairly up to date however the following items needing to be updated:</p> <ul style="list-style-type: none"> • Approved minutes for the year – all minutes provided on the website are recorded as draft and are not signed off. Draft minutes are available for the months April to November and January and March. There is an agenda for December but the minutes have not been uploaded. • Schedule of payments – January to March 2026. • Finance reports – Q4 • Updated Asset Register (last one showing is from 2023) • Updated Earmarked reserves (last one showing is from the year ending 31 March 2025) • Current ICO registration Certificate - the certificate on the website expired in March 2024. • Updated GDPR information. • 2024 – 2025 Annual Return Documentation <ul style="list-style-type: none"> ○ Notice of Conclusion of Audit (once received)
<p>M. The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations</p> 	<p>The Authority has failed to make a proper provision for 2024/2025 as the approval date was after the start of the period for the exercise of public rights.</p> <p>The public notice period must include the first 10 working days of July, which means the AGAR report should be in future approved by the June Parish Council meeting.</p>

Test	Findings and Recommendations
<p>N. The Authority complied with the publication requirements for the prior year AGAR.</p> 	<p>Goxhill Parish Council has complied with the publication requirements for the draft AGAR for 2024/2025. This is available to view on the parish council website.</p> <p>The external Auditors report within the AGAR outlines that:</p> <p>“We are unable to complete our review work on the AGAR and supporting documentation as a result of correspondence received in relation to 2024/25 and/or prior years. Once we have finalised our review and completed any additional work arising from that correspondence, a final report will be provided with the certificate of completion detailing any qualifications and ‘other’ matters.”</p> <p>As of the date of completing the Internal Audit the External Audit for 2024/25 has not been completed.</p>
<p>O. The authority has complied with laws, regulations and proper practiced relating to digital and data compliance.</p> 	<p>Goxhill Parish Council is registered with the Information Commissioners Office (ICO) as a Data Controller (Registration reference ZA496105).</p> <p>The current certificate expires on 03 March 2027. The current certificate is not displayed on the website, the one on the website expired in March 2024.</p> <p>There is no GDPR policy on the website. There is a privacy notice policy, updated June 2021, and a data audit, this does not have a date reviewed. These documents should be reviewed at least annually.</p> <p>Personal data is kept in a locked cupboard in the office. The accountancy system is password protected.</p>

Test	Findings and Recommendations
<p>P. Trust funds (including charitable) – the Council met its responsibilities as a trustee.</p>	<p>The Goxhill Millenium Green Trust is registered as charity number 1077394.</p> <p>Goxhill Parish Council are correctly registered as the sole corporate trustee.</p> <p>Separate meetings are held and minuted appropriately.</p> <p>The Annual Return reporting requirements are up to date with the Charity Commission to the year end 31 December 2024. These were submitted on 15th September 2025 in line with the Charity Commission filing deadlines.</p> <p>The next annual return for the Charity is for the year ended 31st December 2025 is due to be submitted by 31 October 2026. This can be submitted anytime after the year end up to the filing deadline.</p> <p>As a Charitable Association as the income of the Charity was below £25k there is no requirement to submit the annual accounts. The income is self declared in the annual return. It is a requirement for annual accounts to be prepared and made available if requested. A request was submitted for a copy of the annual accounts for the Goxhill Millennium Green Trust, the accounts were not provided.</p> <p>There should be a clear segregation between Goxhill Parish Council and the Charity. All income and expenditure relating to Goxhill Millennium Green Trust should be accounted for through the Trust.</p> <p>(Continued on next page)</p>

Test	Findings and Recommendations
<p>P. Trust funds (including charitable) – the Council met its responsibilities as a trustee (continued)</p> 	<p>Based on Charity Commission submissions - the information submitted to the Charity Commission may be incorrect:</p> <ul style="list-style-type: none"> • 31 December 2020 – Income £0, Expenditure £2.37k • 31 December 2021 – Income £0, Expenditure £2.37k • 31 December 2022 – Income £0, Expenditure £2.61k • 31 December 2023 – Income £0, Expenditure £0 • 31 December 2024 – Income £460, Expenditure £0 <p>All grants received including grants from Goxhill Parish Council should be recorded as income for the Charity and all expenditure should be recorded within the Charity. This may require a higher level of grant to ensure additional sundry expenses can be covered and is not paid out through Goxhill Parish Council.</p> <p>There is a section of fixed assets in the 2023 asset register held in trust for the Millenium Green and it is important that these assets are recorded separately and accounted for within the Charity and not within Goxhill Parish Council.</p>

Conclusion

There have been improvements in the systems of Goxhill Parish Council during the year. However, the internal audit of the accounts and governance arrangements have identified issues in both internal controls and the financial records some of these relate to historic actions as well as areas which have been identified in previous internal audit reports that have not currently been resolved. There has not been a clerk in post for over a year which has caused a delay in previous recommendations being implemented. In the absence of a Clerk these tasks may need to be delegated between Parish Councillors to ensure a robust governance and financial framework is adhered to. There are actions that are underway and future reports will show these improvements but as the current report is backwards looking in nature these improvements have not yet filtered through to the internal audit.

During the year there have been additional requirements regarding digital and data compliance, Goxhill Parish Council need to undertake a full review on this area to ensure they are up to date.

To ensure transparency and accountability it is important to ensure that the website is brought up to date.

With regards the Goxhill Millennium Green Trust a review should be undertaken to ensure there is clear segregation, independent banking arrangements and all income and expenditure is accounted and reported correctly through the Charity.

In addition to taking account of the recommendations above, I would advise the council to view the Practitioners guide 2026/27 so that they can ensure they are aware of any additional requirements in order to meet the standard that will be put in place for the following year.

The Internal Audit has been conducted in accordance with the Joint Panel on Accountability and Governance Practitioners' Guide 2025 (published March 2025).



Sian Broughton ACMA, CGMA, DChA, MAAT
For and on behalf of Phoenix Accountancy and Business Consultancy Limited

30 June 2026