

Annual Internal Auditor's report 2024/25 Burcot & Clifton Hampden Parish Council

Internal Auditor: Deborah O'Brien CiLCA PIALC

Smaller authorities are required by the Accounts and Audit Regulations 2015 to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

In accordance with guidelines contained in the 2024 Practitioners' Guide (JPAG) paragraphs 4.6-4.12, I am independent of the Parish Council and its members as well as being a CiLCA qualified Clerk with over 10 years' experience.

I have carried out a selective assessment of the Council's compliance with relevant procedures and controls, which I expected to be in operation during the year ended 31st March 2025, as outlined in the letter of engagement signed by the Council at its 4th March 2025 meeting. The function of this internal audit is to improve efficiency and effectiveness of the Council's procedures, not to detect errors or fraud, as the management of the Council's internal controls is a function of the Council as a whole. (Practitioners' Guide, paragraphs 4.4-4.5).

The Parish Council has had a turbulent year with multiple resignations of both Councillors and Clerks. As of this report, a locum Clerk has been appointed and an interim set of three Councillors temporarily appointed by South Oxfordshire District Council to enable the Parish Council to act. An election has been called for the 3rd July 2025, and if insufficient Councillors are elected at that time, the temporary appointees may co-opt interested parties.

This internal audit has been conducted electronically utilising requested documents provided by the Clerk, as well as those present on the website at [Clifton Hampden & Burcot Parish Council](#).

This written report is laid out using the same format and headings as the AGAR Internal Audit report (page 3). Where I have answered NO to any of the AGAR assertions, the comments in bold in this report demonstrate the reasoning. I would recommend that the Practitioners' Guide is also referenced – the version for 2024/25 is available at [Practitioners' Guide 2024](#). A newer version for 2025/26 can also be downloaded.

Overall, the standard of management and governance processes requires some improvement, with issues highlighted below for the attention of the Parish Council. I

would like to thank the Locum Parish Clerk/RFO, Gill Peacock, for her cooperation and assistance in facilitating this internal audit.

Internal Audit report assertions

A. Appropriate accounting records have been properly kept throughout the financial year.

- Appropriate accounting records have been kept throughout the year (Excel worksheets). These are now up to date and enable year-end AGAR reports to be produced. I would recommend the inclusion of expenditure approval dates and powers for expenditure.
- **Council minutes for the year are not complete on the website – September 2024 are missing, but I have seen a scan of the hard copy. Most hard copy minutes have not been initialled or signed, apart from March 2025 which had been initialled but not signed and dated on the back page. Parish Council minutes become a legal document once they are physically initialled (each page), signed and dated following approval at the ensuing meeting.**
The pages must be numbered sequentially and filed in accordance with [Local Government Act 1972 sched 12 paragraph 41 \(1\) \(2\)](#). I would also recommend that a document header is added so that each page of the minutes contains the full date and a footer with the page numbers.
- The only agenda I could view online was from May 2025, so I was unable to verify if correct procedures have been followed relating to summonses to attend or business to be conducted. I would recommend that at least 12 months' agenda are retained on the website.

B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.

- Financial Regulations were reviewed in October 2024 and appear to be based on the 2024 model template. They have not been uploaded to the Governance section of the website. I recommend that the Council reviews and adopts the latest 2025 version of NALC Model Template Financial Regulations which include amendments to 5.4, 5.7 and 5.11 as a result of The Procurement Act 2023 and The Procurement Regulation 2024 which came into force March 2025.
- Payments are made via BACS and approvals are resolved at meetings.
- A finance report was presented at some meetings (April – October 2024), but this was a summary of payments to be made, income received and total of the bank balance.
- **There is no evidence that Councillors reviewed bank statements or budget vs expenditure documents at meetings on a regular basis, as required by Financial Regulations. It is recommended that this is done on at least a quarterly basis.**

- **A random sample of 20% of financial transactions was selected for review. However, one-third of the invoices were not available for examination to verify processing methods or accuracy. I was able to verify VAT charged on invoices that were correctly addressed to the Parish Council. I would strongly recommend that copies of all supporting paperwork and invoices are maintained, especially as those to be used for VAT reclaims are required as evidence.**
- I compared a selection of transactions within the cashbook to bank statements and all was in order. I would recommend that Bank statements show that they have been cross referenced with the cashbook and each transaction accounted for.
- There is a column in the accounts for S137 expenditure, as required, although no expenditure was made using this power.
- No Council debit card is in place. (as far as is known)
- The Locum Clerk has advised that four councillors are on the bank mandate.

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

- [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 relation to accounts. This should be minuted annually. It is recommended that an Internal Controls policy is developed and adopted.
- **The Council has not reviewed a Financial and Management Risk Assessment. (Strategic risks) I recommend that a policy is developed and adopted. This should be reviewed (and minuted) annually at a minimum, particularly at insurance renewal. A model template is available in Practitioners' Guide 2025, pages 66-68. SLCC also has a template document available.**
- **Insurance had lapsed in March 2025 due to the lack of Clerk and Councillors. The Locum Clerk has promptly made arrangements for coverage which commenced as of 18 April 2025.**
- I reviewed the Council's latest insurance schedule and found adequate levels of insurance relating to public and employer's liability and fidelity guarantee. Assets are covered but should be reviewed again once the asset value has been reviewed. The existing asset register is from March 2023. It is important to ensure that the asset register is up-to-date and to compare the asset register to the insurance schedule prior to renewal. I recommend that this should be minuted.
- Risk Assessments should be kept on file for all PC activities.
- It was noted from the minutes that there are no agreements with any of the stakeholders involved with the use of the Recreation Ground. I would recommend that this is resolved and procedures put in place to ensure Risk Assessments and Insurance requirements are met.

- I would also recommend keeping on file copies of liability insurance and risk assessments for any contractors used by the Council. Provision of these should be part of the tendering process.
- Inspections of Council assets and trees should be conducted regularly and observations/repairs kept on file. I could not locate any evidence/minute that this has been done, although a playground RoSPA inspection was conducted in February 2024 – I would recommend that these should be conducted annually at a minimum, with interim inspections conducted by the Council with frequency determined by your insurers.
- Standing Orders were adopted in October 2024 and appear to be based upon the old NALC 2018 template. NALC updated again in April 2022 and has also issued (April 2025) updated Model Template Standing Orders 14 (Code of Conduct) and 18 to reflect the changes made to Financial Regulations, and I would recommend reviewing the latest version and adopting these when practical.
- In conjunction with general risk management, I would recommend that the Council should update or develop and adopt the following regulations/policies at a minimum:
 - Code of Conduct (latest version)
 - Strategic Risk Management/Internal Controls policy
 - Model Publication Scheme (ICO full version)
 - Accessibility policy for website
 - IT policy (new requirement for 2025/26)
 - Data retention policy
 - Complaints procedures policy (update)
 - Bio-diversity policy

Other policies may also be required and advice on these can be found via OALC.

- Electronic documents are kept on the Clerk's laptop, with some held on memory sticks. I would strongly recommend that regular back-ups are made to a Cloud service or external hard-drive that is password protected. The Council pays a monthly fee to Google Cloud so further research is needed to determine if this contains an electronic back-up of the PC's files. I would also recommend that a digital file or envelope containing access codes and passwords is held by the Chairman in case of emergencies.

D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

- The 2024/25 budget was considered, and precept agreed at a full council meeting dated 21 November 2023. This was recorded as an amount payable of £16,578. The 2024/25 budget is available on the website.

- **[Local Government Finance Act 1992](#) s41(2) requires that precepts “be stated as an amount payable by the billing authority. It is important to demonstrate that the budget is considered and agreed prior to the setting of the precept. The budget should be included on the website.**
 - **The 2025/26 budget was mentioned at the 9th December 2024 meeting and recorded: “Draft budget Precept for 2025/26 – With the rate of CPI Agreed by the PC”. There was no formal resolution by full council to request a precept amount, nor is the budget available on the website. I would recommend that for future budget/precept setting meetings, this is formally recorded in accordance with Practitioners’ Guide paragraph 1.8 and the above legislation.**
 - I would recommend minuting when budget vs expenditure reports are presented and considered by full council on a regular basis (quarterly at a minimum).
 - The Council does not have a reserves policy, but CIL money of approx. £13,982 is held for various projects, plus residue of a resilience grant in the amount of £5,999, £1,000 for the recreation ground and £5,000 for the Village Hall totalling £25,981 is ear-marked. The year-end cash balance is £56,273, which leaves a general reserve operating balance of £30,292. I would refer Councillors to Practitioners’ Guide paragraphs 5.30 - 5.38 for reserves guidance when setting next year’s budget and precept request, as it is recommended that councils hold between 3-12 months’ operating costs, with smaller councils holding closer to 12 months. The External Audit commented upon this in their report and certificate dated 9 September 2024.
- E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.**
- The precept received (£16,578) agrees to the precept request for 2024/25 and matches central government records.
 - VAT reclaim refunds were received in the financial year in the amount of £2,005.01. Due to a lack of invoices for examination, I was unable to verify if the correct amount of VAT has been reclaimed. It is important to make claims regularly using form VAT 126 – see [Claim a VAT refund as an organisation not registered for VAT - GOV.UK](#) for guidance.
 - Flood grants totalling £4,795, CIL totalling £3,770.77 and an e-active grant for £1,000 were also received.
- F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.**
- Not applicable – 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.

- Currently there is no permanent Clerk/RFO – a Locum Clerk is fulfilling the role until the Council is re-established.
- The Council is registered with HMRC and may have been processing payroll using Basic Tools/RTI.
- The last payment to HMRC that I could detect was made in December 2024, which represented month 9 and the year to date statement online via HMRC confirms this and that £406 was paid during the financial year. I would recommend contacting HMRC to see if submissions are current as they are required even if no payments are due.
- The 2024/25 Local Government Services Pay agreement was not noted/minuted at any meeting. This was issued in October 2024, back-dated to 1 April 2024. However, I was able to view a pay invoice for the period, showing that the back-pay was made. (No HMRC software pay-slip available)
- A working from home allowance was paid to at least one Clerk for a period of time, and this amount should not be included in line 4 staff costs.
- It is unknown if the Council is registered with the Pensions Regulator, which is a statutory requirement even if any employee falls below the threshold for pensions and the Council does not have to provide a pension scheme. I would recommend that the Council reviews [I'm an employer who doesn't have to provide a pension now | The Pensions Regulator](#)
- No members' allowances are paid.

H. Asset and investment registers were complete and accurately and properly maintained.

- **The asset register should regularly be updated and reviewed annually. I could find no minuted evidence of this. I would recommend that it is thoroughly checked and updated annually at a minimum, prior to the insurance renewal. The last register seen was from March 2023 and does not include the laptop, football nets and upgraded bus shelter.**
- The Council has no loans and there are no long-term investments.

I. Periodic bank account reconciliations were properly carried out during the year.

- Finance reports were prepared during the year and included in the minutes. However, although the bank statement totals were stated, there is no evidence that these were independently compared or reviewed against actual bank statements. I would recommend that this is conducted quarterly at a minimum.
- The year-end bank reconciliation contained within the cashbook matches the supporting bank statement.

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.

- The council has prepared its accounts on receipts and payments basis.
- The Accounting Statements (AGAR) prepared by the RFO agree to the cashbook. Please ensure it is signed and dated prior to the approval meeting.
- Line 2 agrees to the value of the precept raised and received.
- Line 8 agrees to the year-end supporting bank statements.
- Line 4 should only reflect staff costs as described in Practitioners' Guide.

K. If the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt.

- Not applicable, the Council exceeded the £25,000 threshold.

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.

- The Council exceeded the £25,000 threshold so is not subject to the Transparency Code for Smaller Authorities, although it is recommended that it is followed as good practice.
- [The Accounts & Audit Regulations 2015 – regulation 13](#) requires that at least 5 years' worth of documents relating to completed AGARs are available on the Council's website. The Council meets this requirement.
- [Data Protection Act 2018](#) - The website does not contain a privacy policy or a data protection policy.
- [Freedom of Information Act 2000](#) The website does not contain the ICO's model publication policy which is a requirement. The latest ICO version is available at [template-parish-councils-2021](#). Please refer to NALC's LTN 37 'Freedom of Information' paragraphs 21-22.
- [The Public Sector Bodies \(Websites and Mobile Applications\) Accessibility Regulations 2018](#) Compliance with this is a requirement. Testing of the website should be done regularly and there are several tools available for this. Further guidance can be found at [Testing for accessibility – Service Manual – GOV.UK](#) In addition, the Council must provide an accessibility statement on the website, which is updated where applicable on a regular basis as updates are made by the government. A sample is available at [Sample accessibility statement – GOV.UK](#) It is the council's legal responsibility to ensure that the website meets accessibility requirements.
- Documents such as agendas and minutes need to be in an accessible format utilising 'headers' and saving in a PDF/A format to allow for navigation. Help with this can be found at [Creating Accessible Documents | AbilityNet](#)

This affects most documents created by the Council, dated back to September 2018.

M. In the year covered by the AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (*during the 2024-25 AGAR period, were public rights in relation to the 2023-24 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set?*)

- The Council met this requirement.

N. The authority has complied with the publication requirements for 2023/24 AGAR (*see AGAR page 1 Guidance Notes*)

- The Council partially met this requirement **with the exception of the External Auditor's Certificate and report and, the Conclusion of Audit.**

O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.

- Not applicable – the Council is not a Trustee.

Other matters not covered above:

- I would recommend that the Council reviews the 2025 edition of Practitioners' Guide, as it contains new requirements and guidance which will affect the 2025/26 audit, in particular relating to 'Digital & Data Compliance', and the requirement for an IT policy. A summary of the changes and the guide itself can be viewed at [Practitioners' Guide 2025](#).
- Acceptances of Office – it is a requirement that these are completed by the Chairman upon election and all Councillors when elected or co-opted. I would recommend minuting this. I was unable to view the Chairman's acceptance from May 2024, but was able to view a co-opted Councillor's acceptance (although this was not countersigned by the proper officer).

This report and its recommendations are given to assist the Parish Council in achieving full compliance with statutory requirements and best practices as advised in Practitioners' Guide. If you have any questions or need further clarification, please do not hesitate to ask.

Deborah O'Brien CiLCA PIALC

3rd June 2025