Annual Internal Auditor's report 2025/26
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 2025 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 2026, as outlined in the letter of engagement signed by the Council at its 18th August 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).

Following multiple resignations, the Parish Council had an uncontested election in July 2025, electing 6 Councillors. A former Clerk has returned but a locum Clerk is currently administering matters.

This internal audit has been conducted electronically utilising requested documents provided by the Clerk, as well as those present on the website at [Burcot and Clifton Hampden Parish Council](). In addition, a Zoom meeting was held on 18th May 2026 to review this report.

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 2025/26 is available at [Practitioners' Guide 2025.]() A newer version for 2026/27 can also be downloaded.

Overall, the standard of management and governance processes has improved, with some issues highlighted below for the attention of the Parish Council. I would like to thank the Locum Parish Clerk/RFO, Gill Peacock, and Clerk/RFO Charlotte Ray, for their cooperation and assistance in facilitating this internal audit.

Internal Audit report assertions

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

- A very basic cashbook excel spreadsheet was presented to me, which is a payment and receipt summary. I would recommend including a column that details the 'power' for expenditure and breaking out the various items of expenditure into cost categories. I would also recommend that the Council considers proprietary sector specific software for its accounting records as this will facilitate easily produced reports such as budget vs expenditure, VAT claims, year-end summaries and bank reconciliations.
- The cashbook total has been correctly carried forward from 2024/25. (£1 rounding difference)
- Council minutes for the year are complete on the website, along with committee minutes, although I was unable to locate any Finance Working Group minutes. Hard copy minutes have been initialled and signed. I would recommend dating the date of signature on the back page (ensuing meeting). 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).

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 July 2025 and are based upon the Model NALC 2025 template.
- Payments are made via BACS and approvals are resolved at meetings.
- I cannot see that finance reports were regularly presented at meetings. I would recommend minuting when these are presented and that the councillors responsible for Internal Controls have reviewed them.
- A random sample of 20% of financial transactions was selected for review. I was able to verify VAT charged on invoices that were correctly addressed to the Parish Council with one exception (Cricket Club valve repair) as the invoice was not made out to the PC. I would recommend checking that invoices are correctly made out to the PC if VAT is to be reclaimed.
- I compared a selection of transactions within the cashbook to bank statements and all appeared to be in order.
- 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.
- **Three councillors are on the bank mandate with only one councillor required to authorise payments. This contradicts Financial Regulation 7.1 and the Council's own Risk Management policy (page 4). I would recommend**

ensuring that 2 signatories are required for payment authorisation. I would also refer the Council to Financial Regulations 7 (1.1): *The Clerk may be an authorised signatory, but no signatory should be involved in approving any payment to themselves.* I would recommend that the Clerk does not authorise any salary or expenses payments to themselves.

- Pursuant to the Terms of Reference for the Recreation Ground Committee, item 3: *POWER TO SPEND: The Recreation Ground Committee does not have delegated authority to commit or spend Parish Council funds. Any recommendations involving Parish Council expenditure must be referred to the full Parish Council for discussion and formal approval at a Parish Council meeting.* There are instances where reports of the Committee's meetings and recommendations are brought to the full Council, but no clear resolution of amount agreed of complete decision is minuted as agreed by the Parish Council. (e.g. Minute 1/065 November '25 regarding repairs & maintenance: "*The PC unanimously voted an agreement in principle for the above work*"; February PC minute 1/124 states *"The Recreation Ground Committee agreed that the swings would be built immediately at a cost of £20k (£6k from PC and £14k CIL money)"* I would strongly recommend that all committee recommendations are clearly described as such, voted upon by the full Council and minuted as resolutions of approval (or not), including the agreed amount to be spent.
- **As mentioned last year, 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. Budget reviews were made in Oct, Nov & Dec as part of the preparations for the 2026/27 budget setting.**

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 was conducted at the June 2025 meeting.
- The Council has reviewed and adopted a Financial and Management Risk Assessment at its 20th October 2025 meeting.
- Internal Controls are reviewed by 2 Councillors regularly – I would recommend minuting when this has been done.
- I reviewed the Council's latest insurance schedule and found adequate levels of insurance relating to public and employer's liability and fidelity guarantee. It is important to compare the asset register to the insurance schedule prior to renewal. I recommend that this should be minuted. Please note that the

insurance schedule is addressed to the former clerk's address. I recommend that this is updated.

- Risk Assessments should be kept on file for all PC activities.
- As mentioned last year, 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. The newly formed Recreation Committee has been undertaking some of these. An annual RoSPA inspection was made.
- Standing Orders were adopted in July 2025 and are based upon the NALC 2025 template.
- In conjunction with general risk management, the Council has now adopted many policies which can be viewed at Governance & Policies – Burcot and Clifton Hampden Parish Council
- Electronic documents are kept on the Clerk's laptop, with some held on memory sticks. I would strongly recommend that regular back-ups are also made to a Cloud service or external hard-drive that is password protected.

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

- 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.
- The 2026/27 budget was considered and reviewed in October, November & December 2025 by the Finance Committee who made a presentation to the full Council. It was agreed at the 15th December 2025 meeting to increase the precept to £24,000.
- As mentioned in assertion B, I would recommend minuting when budget vs expenditure reports are presented and considered by full council on a regular basis (quarterly at a minimum).
- Ear-marked reserves stand at £23,000 with £11,195 held as general reserves. There is no reserves policy and the Council may wish to consider developing one.

E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.

- The precept received (£17,000) agrees to the precept request for 2025/26 and matches central government records.
- VAT reclaim refunds were received in the financial year in the amount of £6,612.04.
- A flood grants totalling £16,800, and a recreation ground grant for £1,000 were also received.
- No bank interest was earned and the Council may wish to consider an interest-bearing account.

F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.

- No cash received or petty cash held – not applicable. Financial regulations contain provision for this should it occur.

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.

- The Council has one employee – the Clerk/RFO who is on the NALC model template contract. The Council is also utilising a locum clerk/contractor who is not on the payroll and therefore responsible for their own PAYE/NI payments. In future, I would recommend that the Council takes HR advice in relation to 'employment' regarding the use of contractors in a long-term situation.
- The Council is registered with HMRC and now uses a payroll provider.
- Payments to HMRC for PAYE & NI commenced in November 2025 and I would recommend that the Council verifies with HMRC online that all payments are up to date.
- A working from home allowance is apparently paid in the amount of £26/month. This amount should not be included in line 4 staff costs as it is an administration cost.
- As reported last year, I was still unable to determine 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 has been reviewed and updated as of Summer 2025, although I could find no minute recording this. I would recommend that this is also reviewed prior to insurance renewal.

- The Council has no loans and there are no long-term investments.

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

- Payments to be made reports were prepared during the year and included in the minutes. **However, no bank statement totals were stated, and there is no evidence that these were independently compared or reviewed against actual bank statements. I would recommend that this is conducted and minuted quarterly at a minimum.**
- The year-end bank reconciliation 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 (not working from home allowance) as described in Practitioners' Guide. (reference guidance on staff & contractor's costs, paragraphs 5.161-5.164)

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.

- 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 with the exception of Conclusion of Audit for 2024/25.
- Freedom of Information Act 2000 – The Council website now contains the Model Publication Scheme & Information Available policies.

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 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?)*

- The Parish Council published the Notice for the Exercise of Public Rights on its website. The announcement date was 16th June 2025 and the period for electors' rights was 17th June – 28th July 2025, which correctly allowed for 30 days' inspection. The commencement date was also minuted at the June 2025 meeting.

N. The authority has complied with the publication requirements for 2024/25 AGAR *(see AGAR page 1 Guidance Notes)*

- **The Council partially met this requirement with the exception of the Conclusion of Audit (at time of Internal Audit). I could also not locate a minute that demonstrated that the External Auditor's report and certificate had been presented to full Council.**

O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.

- E-mail management – the parish council has a dedicated generic email account hosted on the PC's domain. clerk@burcotandcliftonhampden-pc.gov.uk
- All websites must meet the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 (where applicable). The website accessibility statement does not indicate when it was last reviewed and the website tested. Even if the website is outsourced, it is the responsibility of the Parish Council to be compliant with regulations. Accessibility statement requirements are that it is reviewed when there are major changes to legislation and at least annually. Make your website or app accessible and publish an accessibility statement - GOV.UK
- The minutes for April, May & June 2025 are scanned signed versions, which do not meet accessibility requirements.
- The Parish Council follows both the General Data Protection Regulation (GDPR) 2016 and the Data Protection Act (DPA) 2018. Appropriate policies are available on the website. CH Data Protection Policy – Burcot and Clifton Hampden Parish Council
- It is recommended that a Data Audit is conducted.
- The Council is registered with the Information Commissioner's Office (ICO) as a Data Processor as required. The Information Available document is also available on the website. I would recommend setting up a Direct Debit payment with the ICO as it offers a £5 discount.
- **The Parish Council has not adopted an IT policy.**

P. (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 2026 edition of Practitioners' Guide, as it contains new requirements and guidance which will affect the 2026/27 audit. A summary of the changes and the guide itself can be viewed at Practitioners' Guide 2026.
- As mentioned last year, 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. No record was made at the August 2025 co-option. I have since seen an Acceptance of Office for the August co-option, signed & dated.
- It was noted that a Parish Meeting was not held during the statutory dates of 1 March-1 June. This was due to Councillor and Clerk resignations and one was held on 6th October 2025. I would recommend that the Council ensures that this meeting, although not a PC meeting, but one for the electorate, is appropriately scheduled in future. Refer to Local Government Act 1972
- I recommend that the date of posting for agendas is included in the header to show compliance with the 3 clear days' rule.
- The draft AGAR Governance statement should not have the responses pre-populated. The responses to these questions should be completed at the Parish Council meeting where the Internal Audit report is reviewed and the responses made accordingly.
- I would recommend updating the PC address with suppliers/contractors – in particular your insurance company.

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
18th May 2026