

Annual Internal Auditor's report 2024/25 Aston Tirrold and Aston Upthorpe 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 19th 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).

This internal audit has been conducted electronically utilising requested documents provided by the Clerk, as well as those present on the website at [Tirrold and Upthorpe, The Astons Community](#). In addition, a Zoom meeting is to be held on 24th June 2025 with the Clerk and Chairman to review this report.

I would refer the Parish Council to the 2023/24 External Auditor's report and certificate, issued 18 September and their covering letter dated 19 September for guidance when responding to some of the statements on the 2024/25 Governance statement.

Any items in bold font below have resulted in a 'no' response on the Internal Audit AGAR report. I would like to thank the Parish Clerk/RFO, Charlotte Ray 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.

- Basic accounting records (Excel spreadsheet) have been kept representing two separate autonomous banking accounts. The Parish Council maintains receipts and payments accounting records, but the ARC has been reporting net income for fundraising events. These two sets of accounts are then combined at year-

end. (Monthly reports from the ARC, a sub-committee, are brought to PC meetings for review.) I would recommend that the ARC cashbook is also maintained on a receipts and payments basis so that year-end reporting can be facilitated more easily. For 2024/25 a receipts and payments report has been supplied.

- Council minutes for the year are on the website. Parish Council minutes become a legal document once they are physically initialled (each page), signed and dated following approval at the ensuing meeting. I viewed samples of two signed sets (July 2024 and January 2025 - erroneously headed January 2024) 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 inserting a header into the documents indicating date of meeting.

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 last reviewed in May 2024. 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.
- **[Local Government Act 1972](#) section 151 requires that a Responsible Financial Officer (RFO) is appointed to administer and have responsibility for all financial activities of the Council. This is usually the Clerk in smaller Councils, as is the case for this Council (confirmed at May 2024 Annual Parish Council meeting). The Council's Financial Regulations specifically state: "5. **BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS 5.1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency**". Part of the Council's AGAR Accounting Statement includes a bank account and transactions in the name of a sub-committee "The Astons Recreation Committee" (ARC) which is administered independently of the Council and issues its own payments and keeps its own accounts. There are detailed Terms of Reference agreed (see website policies) which permit delegated expenditure up to £500, with Parish Council authorisation for expenditure above that amount. However, I would recommend that the Council obtains sector-specific legal advice from NALC via OALC and/or SLCC regarding whether or not the ARC accounts should be included with the PC's accounts on the AGAR, and if so, then considers administering the bank account and associated cashbook itself, named to reflect the PC as well as the ARC, to comply with its Financial Regulations and Standing Order (4(b)).**
- Payments are made via BACS in accordance with Financial Regulations, for PC specific invoices. ARC payments are made by cheque.

- A random sample of 20% of Parish Council financial transactions was examined in detail and generally found to be administered correctly. A schedule of payments is brought to meetings and minuted. Where payments are for grants, please retain documentation reflecting the grant application, as payments have been made against minutes.
- I compared a random selection of transactions within the PC cashbook to bank statements and all was in order. Invoices show that they have been cross referenced with the cashbook and bank statement and each transaction accounted for. Please ensure that VAT is recorded in the cashbook where appropriate (for reclaim purposes) – a WelMedical invoice with £25.37 of VAT has been missed. I was able to check bank statements against the separate cashbook for the ARC accounts.
- Four councillors are on the bank mandate with two required to authorise payments. ARC terms of reference indicate that 4 members of the sub-committee (two councillors and two non-councillors) are on their mandate and any two are required to sign cheques, which is contrary to Financial Regulation 6.4 which stipulates that two members of the Council are required to sign cheques.
- No Council debit card is available or in use.

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

- The Council reviewed its Financial and Management Risk Register at its May 2024 meeting. However, it does not refer to events held by the ARC. The register appears to date from 2016 and should be reviewed and updated to reflect operational risks and current activities.
- Internal controls are reviewed by the full council, at its May Annual Parish Council meeting. I would recommend designating one non-mandated Councillor to be responsible for internal controls (In the Risk Register this Councillor role is described as RFO, when that role is held by the Clerk), and this Councillor should be the signatory on quarterly and year-end bank reconciliations. (As required by your Financial Regulations paragraph 2.2).
- Standing Orders (2019 version) were reviewed in May 2024 and should be reviewed regularly. NALC has also issued (March 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 and adopting these when practical.
- Insurance coverage appears adequate for Public, Employers and Hirers' Liability and is reviewed prior to renewal annually. However, the Fidelity Guarantee is for £25,000. I would recommend increasing this to cover the year-end cash balance (line 8) plus the Precept payment at a minimum. The policy does not appear to cover fireworks, but the Clerk notifies the insurers prior to fireworks events to ensure coverage. I would recommend ascertaining

if other events are covered by the PC's insurance policy and minuting where such assurances are obtained. I could see a payment made by the ARC for insurance purchased for Astonbury.

- Risk Assessments for all Council activities should be kept on file, as indicated in your insurance schedule.
- I would also recommend that the Council keeps on file copies of liability insurance and risk assessments from any contractors used.
- The play area is RoSPA inspected annually. I would recommend checking with your insurer regarding more frequent inspections during the year, which should be kept on file. An annual inspection by Playsafety was undertaken and actions taken on issues raised.
- All assets are inspected regularly for safety and maintenance. I would recommend establishing a schedule for this with reports kept on file.
- I would recommend that the Council considers a formal tree inspection for any trees for which it may be responsible – please check with your insurers as to frequency required.
- Electronic documents are stored via Dropbox. I recommend that an envelope or digital file containing passwords and access codes should be stored with 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.

- **There is no mention in the minutes of the 2024-25 budget being considered, although the precept was agreed at a full council meeting dated 17 January 2024. This was recorded as an amount payable of £17,200. The budget is not available on the website, and I would recommend uploading this in the interests of transparency.**
- **There is no mention in the minutes of the 2025-26 budget being considered, although the precept was agreed at a full council meeting dated 11 December 2024. This was recorded as an amount payable of £17,200. Again, the budget is not on the website. I would recommend referring to Practitioners' Guide paragraphs 1.8 and 5.2 for guidance.**
- I would recommend minuting specifically when budget vs expenditure reports are presented and considered by full council on a regular basis (quarterly at a minimum). It is minuted that 'financial statements' are approved, but it is understood that these are schedules of payments and bank statements.
- The Council does not have a reserves policy, nor can I determine if reserve levels were considered during the precept setting process. I am unaware of any ear-marked reserves, although the Council does receive CIL monies which could be ear-marked for specific projects. The year-end cash balance is £36,993 of which £15,731 is held by the ARC. 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.

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

- The precept received (£17,200) agrees to the precept request for 2024/25 and matches central government records.
- CIL monies were received in the amount of £24,315.74. I viewed a CIL report for 2023-24 - I recommend that this is posted on the website alongside the 2024-25 version when completed.
- No VAT reclaim refunds were received in the financial year. (Last received was £2,570.39 on 26/3/24 with £1850 of that then paid out to the ARC in April 2024) A claim has been made for £3,523.99 for 2024/25. 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. I would recommend that the Council refers to paragraph 6 of HMRC's [Local authorities and similar bodies \(VAT Notice 749\) - GOV.UK](#) to ensure that it is in full compliance with reclaim requirements regarding placement of orders and tax invoices (which should be addressed to the Parish Council).
- The Council is not registered for VAT as it makes no vat-able supply.
- No bank interest is received, and the Council may wish to consider an interest-bearing savings account to generate income.

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.

- The sole employee is the Clerk/RFO. Payroll is handled via a payroll provider.
- No payments have been made to HMRC. I would recommend requesting that your payroll company verifies with HMRC if any payments are outstanding. I was able to view a P32 statement showing zero balance.
- The 2024/25 Local Government Services Pay agreement was not noted/minuted at any meeting. This was issued in November 2024, back-dated to 1 April 2024. I would recommend that the Council reviews this and makes any back payments due.
- No working from home allowance is paid.
- No members' allowances are paid.
- The Council is registered with the Pensions Regulator and made its declaration of compliance in December 2023.

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

- The Asset register that I have viewed is dated 31 March 2025. It is reviewed annually by the ARC sub-committee. I would recommend that the basis of valuations is in accordance with Practitioners' Guide. The Asset schedule compares to the Insurance schedule.
- The Council has no loans and there are no long-term investments.

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

- Financial transactions (cashbook spreadsheet) and statements are regularly brought to meetings and reconciled.
- I was able to verify that the year-end amount in the PC cashbook and ARC spreadsheet agrees to supporting year-end bank statements.

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. However, the ARC appears to prepare its accounts on a form of income and expenditure basis, with amounts netted off. (e.g. an event's resulting income is shown but not the detailed receipts or payments made) VAT has also been netted off contrary to the External Auditor's Certificate and report comments dated 18 September 2024. The ARC accounts have now been re-configured for 2024/25 to reconcile receipts and payments, and I would recommend that going forward all accounting is prepared using receipts and payments as is appropriate for a Council of this size, enabling a full audit trail. It may be necessary to re-state lines 3 and 6 of the AGAR accounting statement for 2023/24, to also reflect receipts and payments reporting.
- The Accounting Statements (AGAR) prepared by the RFO agree to the two cashbooks in total. 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, including the accounts of the ARC sub-committee.
- Line 4 only reflects 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 shares a community website. I would recommend that the Council investigates a dedicated Parish Council website with a .gov.uk domain name.
- 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 does not meet this requirement, as of 18 June 2025, 2023/24 has not been published at all. Previous years are available.**
- [Data Protection Act 2018](#) - The website contains a privacy policy and a data protection policy.
- The Council is displaying an ICO model publication scheme, but it does not contain any contact details. I would recommend adding them.
- [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. The current standard for websites is WCAG 2.2 AA. 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.

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?)

- I was unable to review evidence of this on the website (up to 18 June 2025), and the June AGAR approval minutes do not reflect the setting of dates. However, I have seen a copy of the notice which was used. The Year-ending date of the notice was described as 31 March 2022. The date of announcement was 10th June 2024, with commencement on 11th June 2024 and ending on 23rd July 24 which equates to 31 days, not 30 as required. The External Auditor commented on this in their report and certificate and advises that the Council responds 'no' to assertion 4 of the 2024/25 Governance Statement. I would recommend for the 2024/25 year, that this

document is placed on the website in accordance with requirements and that the dates agreed are minuted.

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

- **There is no evidence of publication on the website of the 2023/24 AGAR documents up to and including 18/06/25. No EA Report & Certificate or conclusion of audit was published.**

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](#).
- The Clerk is using a Gmail address, and it is noted that some Councillors are still using personal e-mail addresses, although the Council is moving to PC associated e-mail addresses. It is recommended that the Clerk and all Councillors utilise a PC dedicated e-mail address such as councillorA@theastonsparishcouncil.gov.uk. The use of personal e-mail addresses may cause GDPR and Freedom of Information issues. Please refer to [Fact sheet for councils: the use of personal email addresses and devices \(ico.org.uk\)](#) for guidance. The 2025 Practitioners' Guide paragraph 1.47 states: "Email management - Every authority must have a generic email account hosted on an authority owned domain, for example clerk@abcparishcouncil.gov.uk or clerk@abcparishcouncil.org.uk rather than abcparishclerk@gmail.com or abcparishclerk@outlook.com for example".
- LGA 1972 Schedule 12 part II paragraph 10(b) requires: "a summons to attend the meeting, specifying the business proposed to be transacted at the meeting and certified by the proper officer of the council, shall be sent to every member of the council by an appropriate method." Normally this is part of the agenda but there is no evidence of a summons to Councillors being issued. See also Standing Order 15(b)(i).
- The Clerk/RFO does not have a dedicated laptop provided by the Council. I would recommend that the Council considers this provision to ensure the separation/protection of Council business. I would also suggest that the Council provides a printer that scans to facilitate the creation of certain documents for upload to the website such as the AGAR.

This report is designed to assist the Parish Council, not criticise it, and to enable it to ensure that it is compliant with legislation and best practices. I would recommend that the Parish Council reviews this report in conjunction with the signed Annual Internal Audit report (AGAR) and develops a plan of action to address any issues. I would also recommend taking sector-specific advice and guidance for any items such as accounting and banking administration or VAT claims. OALC can provide resources in this regard. If the Clerk or Parish Council has any questions or concerns regarding this report, please do not hesitate to ask.

Deborah O'Brien CiLCA PIALC

24th June 2025