

AUDLEM PARISH COUNCIL
Internal Audit Report 2025-2026

Internal Control Objective	Testing	Recommendation	Outcome (2026-2027) testing) by IA
<p>A. Appropriate accounting records have been properly kept throughout the year.</p>	<p>A1. The accounting system in use is Scribe and enables the production of the Annual Accounting Statement and regular bank reconciliations. A2. The council's accounting records are accurate, up to date and well maintained.</p>		
<p>B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.</p>	<p>B1. The Council has in place a set of Financial Regulations and Standing Orders and these have been subject to regular review. B2. Standing Orders and Financial Regulations specify the same tender thresholds. B5. The Council has approved the payments in accordance with the requirements of its Financial Regulations. B6. The Council has in place effective controls on the making of payments. This should include the need for two signatures on cheques however it is not clear whether dual authorisation of online payments is in place. B5. The Council has approved payments in accordance with the requirements of its Financial Regulations.</p>	<ol style="list-style-type: none"> 1. Recommended the date of approval and minute references of both the Finance Regs and Standing Orders is added to the policy document and published on the website. 2. A suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation and applied to all invoices. 3. Grants awarded should be accompanied by paperwork from the appropriate organisation to confirm that the funds 	

		have been received and used for the intended purpose.	
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<p>C1. The council has carried out a review of risk during the financial year.</p> <p>C2. The council has got in place a Risk Register, or Risk Policy, which sets out the risks that the council faces and how it intends to address these and that this has been subject to formal review.</p>	<p>4. The Council should consider adding cyber security to the insurance schedule. <i>This is outstanding from the previous audit.</i></p>	
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<p>D1. The Council prepared and formally approved a budget for the year prior to the setting of the precept.</p> <p>D2. The Full Council has considered, approved and adopted the annual precept, for the year subject to internal audit, prior to the statutory deadline of 1st March.</p> <p>D4. The Council has reviewed budgetary reports however there is no evidence that significant variances have been subject to detailed query/review.</p> <p>D5. The precept received during the year agrees to the precept raised by the council.</p> <p>D6. The precept received during the year agrees to central government records.</p>	<p>5. The reports and variances should be published on the website or explained within the minutes. <i>This is outstanding from the previous audit.</i></p>	
E. Expected income was fully received based on correct prices, properly recorded and banked; VAT appropriately accounted for.	<p>E1. VAT was 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 style="text-align: center;">N/A</p>		
<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>G1. A formal employment contract is in place for staff. G2. Staff salaries, gross pay due is correctly calculated in accordance with contract terms and conditions. G4. The council has submitted RTI returns to HMRC and made payments due as required. G8. The Council has submitted returns .</p>		
<p>H. Asset and investment registers were complete and accurate and properly maintained.</p>	<p>H1. The Council is not maintaining a formal asset register which is updated with any additions or disposals during the year although it has not been approved at a Council meeting. H2. The Council has not got in place a process for the regular physical verification of its assets.</p>	<p>6. The Council should formally approve the asset register and agree a process for regular physical verification of its assets and align the insurance schedule to the assets register. Additions and disposals records should allow tracking from the prior year to the current. <i>This is outstanding from the previous audit.</i></p>	
<p>I. Periodic bank account reconciliations were properly carried out during the year.</p>	<p>I1. Bank reconciliations are prepared regularly, for all Council bank accounts. I2. Bank reconciliations are subject to independent review by members and that they are signed and dated as evidence of this review.</p>		

K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.	N/A		
L. The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with any relevant transparency code requirements	<p>L1. The Council has not published, for the prior financial year, all the information as required by the Transparency Code 2015 as follows: (a) Location of public land and building assets (b) 5 years' AGARs</p> <p>L2. No Publication Scheme is available on the website: Freedom of Information Act 2000 (FOIA): Requires a Publication Scheme and access to information on request.</p>	<p>7. Location of public land and building assets.</p> <p>8. The Council is required to adopt and provide a copy of the Publication Scheme on the Council's website.</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>M1. The date of the announcement of public rights was made on 24th June 2025 with commencement on 24th June 2025. The date of the announcement must be 1 day before commencement.</p>	<p>9. The notice must be published 1 day before the commencement and must include the first 10 working days in July. <i>This was identified as an issue in the previous years' audit report.</i></p> <p>10. It is recommended that the Council formally approve the dates for the Period for the Exercise of</p>	

		Public Rights	
N. The authority complied with the publication requirements for the prior year AGAR.	<p>N1. The Council did not publish the Annual Governance Statement on its website together with the Accounting Statements on the website within the proposed timescale</p> <p>N2. The Council did not publish the External Auditor report on its website together with Notice of Conclusion of Audit on its website.</p>	<p>11. It is noted that this has not been possible due to ongoing legal issues of which the External Auditor is aware.</p>	
O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.	<p>O1. There is no published IT policy available on the website in accordance Which complies with Assertion 10 as specified in the SAPPP Practitioners' Guide 2025.</p> <p>O2. The council has published an accessibility statement, however, it references WCAG 2.1 AA, not WCAG 2.2 AA.</p>	<p>12. Recommended adoption of the policy available through NALC.</p> <p>13. The council is advised to initiate a full review of the website to meeting compliance by 31st March 2027 in order to comply with Assertion 10 and amend the accessibility statement where necessary.</p>	
P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee	<p>P1. The Council does not hold trust funds.</p>		

**Internal Audit Report 2024-2025
Outcome testing by IA 2025-2026**

Internal Control Objective	Testing	Recommendation	Outcome (2025-2026 testing) by IA
A. Appropriate accounting records have been properly kept throughout the year.	<p>A1. The accounting system in use is Scribe and enables the production of the Annual Accounting Statement and regular bank reconciliations.</p> <p>A2. The council's accounting records are accurate, up to date and well maintained.</p>		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.	<p>B1. The Council has in place a set of Financial Regulations and Standing Orders and that these have been subject to regular review.</p> <p>B2. Standing Orders and Financial Regulations specify the same tender thresholds.</p> <p>B5. The Council has approved the payments in accordance with the requirements of its Financial Regulations.</p> <p>B6. The Council has in place effective controls on the making of payments. This should include the need for two signatures on cheques however it is not clear whether dual authorisation of online payments is in place.</p> <p>B5. The Council has approved payments in accordance with the requirements of its Financial Regulations.</p>	<p>14. The Financial Regulations were updated in March 2025 following the application of the Procurement Act. Council should consider these changes at a full council meeting.</p> <p>15. It is recommended that all invoices be verified and certified to ensure that they are valid as listed in the payments schedule presented for payment</p> <p>16. It is recommended that the Council make arrangements for dual authorisation of online payments.</p> <p>17. The VAT claim for QTR 2,3 and 4</p>	<p>Implemented</p> <p>The Clerk has confirmed that confirm that two councillors check invoices against the bank reconciliation and the bank statements before the start of every meeting. The Finance committee also meets a week / days before the main meeting to confirm the bank</p>

		<p>should be made without delay.</p> <p>18. A suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation and applied to all invoices.</p>	<p>reconciliation and the bank statements. Members also check the invoices before the start of the meeting.</p> <p>Dual authorization of online payments is now in place.</p>
<p>C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</p>	<p>C1. The council has not carried out a review of risk during the financial year.</p> <p>C2. The council has not got in place a Risk Register, or Risk Policy, which sets out the risks that the council faces and how it intends to address these and that this has been subject to formal review.</p>	<p>19. The Council should consider adding cyber security to the insurance schedule.</p> <p>20. A risk assessment should be carried out and approved by the Council as a matter of urgency.</p>	<p>Not implemented</p> <p>Implemented</p>
<p>D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</p>	<p>D1. The Council prepared and formally approved a budget for the year prior to the setting of the precept.</p> <p>D2. The Full Council has considered, approved and adopted the annual precept, for the year subject to internal audit, prior to the statutory deadline of 1st March.</p> <p>D3. Budget reports were sporadically prepared and submitted to either Full Council or the appropriate Committees periodically during the year.</p> <p>D4. The Council has reviewed budgetary reports however there is no evidence that significant variances have been subject to detailed query/review.</p>	<p>21. The Council should publish the budget on the website.</p> <p>22. The reports and variances should be published on the website or explained within the minutes.</p>	<p>Implemented</p> <p>Implemented</p> <p>Variances not reported to council on a regular basis</p>

<p>E. Expected income was fully received based on correct prices, properly recorded and banked; VAT appropriately accounted for.</p>	<p>E1. The precept received during the year agrees to the precept raised by the council. E2. The precept received during the year agrees to central government records. E3. A VAT claim has been prepared for qtr 1 E4. The council has bank balances which exceed £100,000 however the council has not got an investment policy in place.</p>		<p>There is no investment policy in place</p>
<p>F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for</p>	<p style="text-align: center;">N/A</p>		
<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>G1. A formal employment contract is in place for the Locum Clerk G2. Staff salaries, gross pay due is correctly calculated in accordance with contract terms and conditions. G4. The council has submitted RTI returns to HMRC and made payments due as required. G8. The Council has submitted returns</p>		
<p>H. Asset and investment registers were complete and accurate and properly maintained.</p>	<p>H1. The Council is not maintaining a formal asset register which is updated with any additions or disposals during the year although it has not been approved at a Council meeting. H2. The Council has not got in place a process for the regular physical verification of its assets.</p>	<p>23. The Council should formally approve the asset register and agree a process for regular physical verification of its assets and align the insurance schedule to the assets register. Additions and disposals records should allow tracking from the prior year to the current.</p>	<p>This has not been implemented and the asset register still requires review.</p>

<p>I. Periodic bank account reconciliations were properly carried out during the year.</p>	<p>I1. Bank reconciliations are prepared regularly, for all Council bank accounts. I2. It is not clear whether bank reconciliations are subject to independent review by members and that they are signed and dated as evidence of this review.</p>	<p>24. A member, other than the Chairman, should be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member should sign the reconciliations and the original bank statements (or similar document) as evidence of verification and check against bank statements. It is recommended that this is completed outside of a meeting in order to give due consideration.</p>	<p>Implemented</p>
<p>K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.</p>	<p style="text-align: center;">N/A</p>		
<p>L. The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with any relevant transparency code requirements</p>	<p>L1. The Council has not published, for the prior financial year, all the information as required by the Transparency Code 2015 as follows: (c) List of councillor or member responsibilities and declarations of interest (or link to local authority register) (d) Location of public land and building assets (e) 5 years' AGARs</p>	<p>25. The Council must publish a list of councillor responsibilities 26. Location of public land and building assets. 27. It has not been</p>	<p>Implemented Outstanding Outstanding</p>

	(f) All payments over £100	possible for the Council to publish AGARs in accordance with the regulations as stated at the beginning of this report. 28. Payments over £100 should be published separately on the website.	Not actioned
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.	M1. The Council did not publish the Notice for the Period for the Exercise of Public Rights	29. The notice must be published 1 day before the commencement and must include the first 10 working days in July. 30. It is recommended that the Council formally approve the dates for the Period for the Exercise of Public Rights	
N. The authority complied with the publication requirements for the prior year AGAR.	N1. The Council did not publish the Annual Governance Statement on its website together with the Accounting Statements on the website N2. The Council did not publish the External Auditor report on its website together with Notice of Conclusion of Audit on its website.		
O. Trust funds	N/A		