

BURFORD PARISH COUNCIL

INTERNAL AUDIT REPORT FOR FINANCIAL YEAR 2025/6

INTRODUCTION

As the Council's internal auditor, I have independently carried out an examination of areas which meet the internal control objectives as listed on page 3, the Annual Internal Audit Report section, of the Annual Governance and Accounts Return (AGAR) for the year ended 31st March 2025. I have been able to test the Council's compliance with the assertions on p.3 of the AGAR, referring to best practices as outlined in the SAPPP Practitioners' Guide 2025, published March 2025.

I have carried out a mid-year internal audit of areas which I can examine at this point in the year; this involves checks relating to the Transparency Code and publication of last year's AGAR, as the deadlines associated with publishing this information are before 1st July and 1st October 2025. I also checked for periodic bank reconciliations. The checks were carried out on 2nd January 2026.

I have now carried out an internal audit of all areas listed on the AGAR IA report. I present my final report for your consideration.

I would like to thank Gaynor for her assistance.

Should you have any queries with this report please do not hesitate to get in touch.

DETAILED FINDINGS & RECOMMENDATIONS

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

The primary accounts record is in the form of an Excel Receipts and Payments cashbook. Accounting records were found to be accurate and provided an adequate audit trail. A sufficient analysis of accounting records existed within the cashbook, with items being categorised according to budget categories. The accounting statement provided as at 31/3/2026 corresponded with the cashbook.

Internal control objective met? YES

Recommendations: None.

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

Standing Orders and Financial Regulations were reviewed in February 2026 and this is confirmed in the minutes. The ones published online though are dated May 2025. The council has adopted the new model Standing Orders and Financial Regulations.

VAT was appropriately accounted for and recorded separately in the cashbook.

Payments for the year - £48,010.88

A sample of payments were tested to the cashbook, supporting invoices, bank statements, payroll documentation and council minutes.

Internal control objective met: YES

Recommendations: None.

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

The Risk Assessment is fit for purpose and adequate and was reviewed in-year in May 2025, as confirmed in the minutes.

Internal control objective met: YES

Recommendations: None.

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

In-year budget monitoring

I have seen in year budget monitoring reports and an end-year report, all of which are satisfactory.

Budget and Precept 2026-7

The council has followed an adequate budgetary process, which included consideration of reserves. The budget and precept for 2026-7 was set by Full Council in November 2025, the precept set being £40,000. Further income budgeted is: Interest £700, VAT refunds £8,500 and donations £0.01, giving total predicted receipts of £46,200.01; Planned payments total £36,100.00 meaning the council has a surplus of £13,100.01; it's unclear if this includes VAT as at the top it says excluding VAT but £8,500 VAT spend is shown. Since most VAT is reclaimable in my opinion it's confusing to show it in a budget.

Reserves were not fully considered as part of the budget setting process. Although the budget projects estimated spend to year end against the allocated budget, the level of reserves is not specified, and no distinction is made between ringfenced and general (non-ringfenced) reserves. The SAPPP best practice guidance is to have 3 to 12 months' of net revenue expenditure in general (non-ringfenced) reserve.

The clerk has given a summary separately of planned spend on major items to year-end stating there will be £35,628.51 in reserves as at year-end. This estimate is based on deducting major spend items net of VAT but doesn't account for other routine items of spend such as salary etc. Given that planned spend for next year is £36,100 it is likely reserves are in the correct range. However, my concern from an audit point of view is that I have not seen evidence that the budget papers presented to council included an assessment of reserves including assessing the need for ringfenced reserves, so I have had to assume council did not have and consider the reserves information when they set the budget.

Internal control objective met?

Recommendations:

- **The budget does not demonstrate that reserves have been planned for adequately as reserves are not identified. I would expect budget to project reserves to end of current year and show a breakdown of ringfenced vs general reserve and then assess if that falls within the range of 3 to 12 months net revenue spend for 2026/7.**

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

Total receipts for the year were £52,634.29

Receipts comprise of precept £40,000 (matching precept request), interest £745.22, VAT refunds £6,282.63, £5,458.32 and miscellaneous income £148.02. A sample of receipts were tested and they were supported by remittance advice and tallied to the cashbook.

Internal control objective met? YES

Recommendations: None.

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

No cash is held.

Internal control objective met: N/A

Recommendations: N/A

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 clerk works 10 hours a week at SCP15 (£15.56 per hour). Annual salary due is £8,113.45. Salary payments in cashbook total £8,186.98. PAYE and NI have been deducted. The clerk is not a member of a pension scheme. The P60 shows salary paid of £8,091.24 which excludes employers NI totalling £463.08. Therefore, the total of all salary and employer NI reported to HMRC is £8,554.32. I note that employers' NIC allowance has been claimed but parish councils as a public sector body are not eligible to claim it – see [SLCC | Employment Allowance – Are Council's Entitled?](#) I think this may explain the discrepancy between the cashbook and the P60 and employer payment record but I'd welcome clarification from the payroll provider. Also a reminder a 52.143 working year should be used to calculate pay as per the NJS pay scales.

The council's pension re-enrolment date is October 2026.

Members did not receive allowances during the year.

Internal control objective met: NO

Recommendations:

- Please correct the claiming of employer NI allowance and check payroll totals and correct as needed

H. Asset and investments registers were complete and accurate and properly maintained.

The Council's fixed asset register/inventory was examined, assets recorded as totalling £153,718. It was dated as at 31.03.26 and has been updated in-year.

The Council's insurance policy, provided by Zurich covers from 1st June 2025 to 30th May 2026 and cover appears to be adequate for the council's assets.

Internal control objective met: YES

Recommendations:

- **The AGAR states £153,818, please correct to match the register.**

I. Periodic and year-end bank account reconciliations were properly carried out.

I have seen a periodic bank reconciliation relating to the period to 10.10.25 but I did not see the accompanying bank statements so can't confirm accuracy.

The year-end bank reconciliation of £31,200.34 reconciled to the cashbook and bank statements.

Internal control objective met? YES

Recommendations: None.

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 AGAR, Statement of Accounts has been correctly compiled on a receipts and payments basis based on the cashbook, supported by underlying records such as invoices and remittance advice slips.

Internal control objective met? YES

Recommendations: None.

K. If the authority certified itself as exempt from a limited assurance review in 2024/5, it met the exemption criteria and correctly declared itself exempt?

N/A

Internal control objective met? N/A

Recommendations: N/A

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?

Before 1st July, publish:

- The Annual Internal Audit Report (recommended but not mandatory);
- The Annual Governance Statement;
- The Accounting Statements;
- A declaration that the accounts are as yet unaudited;
- Details of the arrangements for the exercise of public rights;
- The name and address of the External Auditor.

Before 1st October, publish:

- Notice of the conclusion of the audit;
- The Annual Governance Statement (including any amendments as a result of the limited assurance review);
- The Accounting Statements (including any amendments as a result of the limited assurance review);
- The External Auditor Report and Certificate

I checked the website on 2nd January 2026.

Internal control objective met: YES

Recommendations: None.

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?

The authority published a notice of exercise of public rights on the website with the correct dates; site checked 2nd January 2026.

Internal control objective met: YES

Recommendations: None.

N. The authority has complied with the publication requirements for the 2024/5 AGAR?

The authority must do the following:

Before 1st July, publish:

- The Annual Internal Audit Report (recommended but not mandatory);
- The Annual Governance Statement;
- The Accounting Statements;
- A declaration that the accounts are as yet unaudited;
- Details of the arrangements for the exercise of public rights;
- The name and address of the External Auditor

Before 1st October, publish:

- Notice of the conclusion of the audit;
- The Annual Governance Statement (including any amendments as a result of the limited assurance review);
- The Accounting Statements (including any amendments as a result of the limited assurance review);
- The External Auditor Report and Certificate

Internal control objective met: YES

Recommendations: None.

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

This is a new test for 2025/6 and it relates to Assertion 10 which is detailed in the SAPPP guide, published March 2025.

In order to assess this assertion, I have considered the council's compliance with a number of areas. My overall conclusion is below and I have also commented in more detail on the sub-areas I considered.

Internal control objective met overall: YES

Overall, I conclude that assertion O has been met but would ask the council to review the recommendations below as it is borderline. However, I have taken a light touch approach as this is the first year of Assertion 10 and what I am looking for is overall signs of working towards it rather than full compliance.

Recommendations: See below

Comments in detail:

1. Email domain – at least the main contact email (usually the clerk’s) must be owned by the council and link to a role as opposed to an individual’s name e.g. clerk@burfordparishcouncil.gov.uk not gaynor@burfordparishcouncil.gov.uk

The council’s email domain is @burfordparishcouncil.gov.uk and the clerk uses clerk@burfordparishcouncil.gov.uk. All councillors also have .gov.uk emails.

Compliance test met: YES

Recommendations: None

2. Does the council have an IT policy?

The council has adopted an IT policy.

Compliance test met: YES

Recommendations: Adopt and review annually.

3. All smaller authorities (excluding parish meetings) must meet legal requirements for all existing websites regardless of what domain is being used. Does the council have an accessibility statement and is it regularly updated? Does the council carry out accessibility testing?

The council has a website with an accessibility statement dated. 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 clerk informs the site is compliant but the accessibility statement has not been reflected to confirm this. The clerk informs me accessibility tests are done but I have not seen evidence of this

Compliance test met: PARTIALLY

Recommendations:

- **Update accessibility statement as not reviewed since 2020. Thereafter, review annually.**
- **Retain evidence of testing which should be done at least annually.**

4. Data protection

a) Data Protection - are regular data audits conducted to identify what personal data is held, how it is used and make sure it is processed lawfully?

This was done in October 2025.

Compliance test met: YES

Recommendation: Consider doing annual data audits.

b) Does the council have a Data Protection Policy on data handling, storage and sharing

The council has the following policies:

- 1) Privacy Policy

Compliance test met: YES

Recommendation: Consider having data protection and records management policies.

c) Does the council provide regular training to ensure all staff and members are trained on data protection principles and practices?

Councillors have considered data protection principles and practices in year as demonstrated by review of policies. Hence, they are aware of data related duties, but I have not seen training records.

Compliance test met: PARTIALLY.

Recommendation: Arrange training programme.

d) Does the council secure data using appropriate technical and organisational measures to protect personal data from breaches?

This is referenced in the policies referred to under point b and the IT policy.

Compliance test met: YES

Recommendations: None.

e) FOI Publication Scheme – does the council have a publication scheme that confirms to the ICO model?

The council adopted and published a publication scheme, which complies with the ICO model, in October 2025. It did not though include a table of information available and this should be added to the policy.

Compliance test met: PARTIALLY.

Recommendations:

- **Add table of info available and review policy annually.**

f) Does the council meet the requirements of the Transparency Code?

See detailed comments on assertion L.

Compliance test met: YES

Recommendations: None.

P. Trust funds (including charitable) – The council met its responsibilities as a trustee?

To the best of my knowledge, the Council does not act as a sole trustee for managing a Trust fund or asset.

Internal control objective met: N/A.

Recommendations: N/A.