

BILTON PARISH COUNCIL

INTERNAL AUDIT 2024-25

YEAR-END REPORT

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Internal Audit Forum
THE VOICE FOR LOCAL COUNCIL AUDIT

The internal audit of Bilton Parish Council has been carried out by undertaking the following tests as specified in the JPAG (Joint Panel on Accountability and Governance) latest guidelines 2024.

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied

Internal Control Objective	Testing	Recommendation
A. Appropriate accounting records have been properly kept throughout the year.	<p>A1. The accounting system in use is adequate. As a minimum the system in use should enable 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>B3. The Council has approved the payments in accordance with the requirements of it's Financial Regulations.</p> <p>B4. 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>1. 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>2. It is recommended that all invoices be verified and certified by 2 Councillors to ensure that they are valid as listed in the payments schedule presented for payment</p> <p>3. It is recommended that the Council make arrangements for dual authorisation of online payments.</p>

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 formally minuted a review of risk during the financial year.</p> <p>C2. The council has 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.</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>D3. Budget reports are 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>5. The Council should publish the budget on the website.</p> <p>6. The Council should publish the reports on the website.</p> <p>7. The reports and variances should be published on the website or explained within the minutes.</p>
E. Expected income was fully received based on correct prices, properly recorded and banked; VAT appropriately accounted for.	<p>E1. The precept received during the year agrees to the precept raised by the council.</p> <p>E2. The precept received during the year agrees to central government records.</p> <p>E3. A VAT claim has been prepared and accounted for during the period of the internal audit.</p> <p>E4. The council has bank balances which exceed £100,000 however the council has not got an investment policy in place.</p>	
F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for	N/A	

<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 together with a confirmatory letter setting out any changes to the contract. G2. Staff salaries, gross pay due is correctly calculated in accordance with contract terms and conditions. G3. The Council has in place formal, up to date, payroll software. G4. The council has submitted RTI returns to HMRC and made payments due as required. G8. The Council has submitted returns to HMRC.</p>	
<p>H. Asset and investment registers were complete and accurate and properly maintained.</p>	<p>H1. The Council is maintaining a formal asset register and this has been 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. H3. The asset register provided does not show the total value of the assets. H4. There is a variance in the asset register from the previous year of £3,334 but no indication as to the reduction in value from the previous year.</p>	<p>8. 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. 9. The asset register needs to show disposals from the previous year.</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>10. Ensure that bank reconciliations are subject to independent review by members and that they are signed and dated as evidence of this review.</p>
<p>J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an</p>	<p>J1. The calculations for the Accounting Statements are accurate and agree to the Councils cashbook. J2. Line 2 agrees to the value of precept raised and received J3. The value stated in Line 4 includes only "gross salary of employees, employer's national insurance contributions, employers pension contributions, gratuities for employees or former employees and severance or termination payments to employees." as set out in the Practitioner's Guide.</p>	<p>11. Bilton Parish Council is operating the accounts on an income and expenditure basis rather than receipts and payments. Box 8 should show the actual</p>

adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.	J4. The value stated in Line 8 does not agree to the year end bank reconciliation and supporting bank statements.	balances as shown on the bank statement £18,063 (rounded) and box 7 should show the figure of £18,398 with the difference being the unrepresented payment of £264 and unrepresented receipt of £600. A full explanation has been provided as to the accounting process.
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	L1. The Council has not published, for the prior financial year, all the information as required by the Transparency Code 2015 as follows: <ul style="list-style-type: none"> • List of councillor or member responsibilities • Location of public land and building assets • Papers of formal meetings • Details of any contract, commissioned activity, purchase order, framework agreement and any other legally enforceable agreement with a value that exceeds £5,000 • 5 years' AGARs 	12. The Council must publish a list of councillor responsibilities, location of public land and building assets, papers of formal meetings and contract details. 13. The Council must publish all AGAR documents covering a period of 5 years 14. Declarations of interest are missing for Cllrs Mallinsdon, Griffin-Smart & Shuttleworth

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 published, including on it's website, the Notice for the Period for the Exercise of Public Rights M2. The Announcement Date was a date after the Council approved the Annual Governance Statement and Accounting Statement.	
N. The authority complied with the publication requirements for the prior year AGAR.	N1. The Council published the Annual Governance Statement on its website together with the Accounting Statements on the website N2. The Council published the External Auditor report on its website together with Notice of Conclusion of Audit on its website.	
O. Trust funds	N/A	

NOTES:

1. The Council will require an IT and cyber-security policy for internal audit 2025-26.
2. It is recommended that this report be published on the website alongside the AGAR documents.
3. A copy of the changes for internal audit 2025-26 has been provided.
4. The Children's Funeral Fund for England can help to pay for some of the costs of a funeral for a child under 18 or a baby stillborn after the 24th week of pregnancy. It is not means-tested. The burial or cremation must take place in England. The fund covers: burial fees; cremation fees, including the cost of a doctor's certificate; coffin, shroud or casket (up to a cost of £300). Further details are available here: <https://www.gov.uk/child-funeral-costs>
5. Information relating to the 2025-26 audit is available in the SAPPP Practitioners' Guide 2025 which can be downloaded from the NALC website.
6. The Council has been provided with an explanation as to how to complete the year end accounts based on an accrual system of accounting with an explanation of how to record the variance between Box 7 and Box 8 on the AGAR.
7. The Council is advised to provide the External Auditor with the Excel variance sheet provided by the External Auditor.