

Hinton Charterhouse Parish Council

Internal Audit Report 2025-26

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*For and on behalf of
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Background

Statute requires all town and parish councils to arrange for an independent internal audit examination of their accounting records and system of internal control and for the conclusions to be reported each year in the AGAR.

This report sets out the work undertaken in relation to the 2025-26 financial year. We have again undertaken our review for the year remotely: we wish to thank the Clerk for assisting the process, providing all necessary documentation in electronic format to facilitate completion of our review for the year and sign off of the Internal Audit Certificate in the year's AGAR. We have undertaken a level of testing consistent with the level and value of transactions during the year.

Internal Audit Approach

In undertaking our review for the year, we have again had regard to the materiality of transactions and their susceptibility to potential misrecording or misrepresentation in the year-end Statement of Accounts / Annual Return. Our programme of cover is designed to afford appropriate assurance that the Council has appropriate and robust financial systems in place that operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'Internal Audit Report' as part of the Council's Annual Governance and Accountability Return (AGAR) process, which requires independent assurance over a number of internal control objectives.

Overall Conclusion

We have concluded that, based on the satisfactory completion of our programme of work for the year, the Council has again maintained adequate and effective financial control arrangements. However, we note that some of our recommendations from previous years remain unaddressed.

We express our gratitude to the Council, and the Clerk, for the opportunity to have been of service over the years, and we wish the Council all future success.

Detailed Report

Maintenance of Accounting Records & Bank Reconciliations

Our objective here is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in the cashbooks. We note that the Clerk maintains a manuscript cashbook, which, given the low volume of annual transactions, we consider adequate.

We note that the Clerk undertakes periodic bank reconciliations, detail of which is presented to Councillors at each Council meeting. The Council maintains a single bank account with the Co-operative bank. We have verified the accuracy of the year-end bank reconciliation and accurate disclosure of the year-end balance in the year's Annual Return, with no issues arising.

Conclusion

There are no issues in this area warranting formal comment or recommendation.

Review of Corporate Governance

Our objective is to ensure that the Council has a robust regulatory framework in place; that Council meetings are conducted in accordance with the adopted Standing Orders and that, as far as we are able to reasonably ascertain, no actions of a potentially unlawful nature have been or are being considered for implementation. We have: -

- Examined the Council's Minutes for the financial year to ensure that no issues affecting the Council's financial stability either in the short, medium or long term exist, also that no legal issues are in existence whereby the Council may either be considering or have taken decisions that might result in ultra vires expenditure being incurred;
- Noted that both Standing Orders (SO's) and Financial Regulations (FR's) have been reviewed during the year, but that the Financial Regulations are not in the most up-to-date Form. The tendering levels in both documents have been left at the NALC default of £25,000, and we would again suggest that the Council revises these to be more appropriate to the normal activities of the Council.

We note a good level on information on the Council's website that meets the requirement of the Transparency Code 2015, although this needs to be updated for 2025-26 once the AGAR process has been concluded.

We have confirmed that the Exercise of Public Rights with regard to the 2024-25 Accounts was properly undertaken during the year in accordance with the Accounts and Audit Regulations.

Conclusion

There are no issues in this area warranting formal comment or recommendation, other than our repeated observation about reviewing tendering limits, and the need to update Financial Regulations.

Review of Payments & VAT

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and budgets;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- The correct expense analysis has been applied to invoices when processed; and
- VAT has been appropriately identified.

We have reviewed a sample of payments throughout the year examining for compliance with the above criteria and are pleased to confirm that no issues arose from our review.

We note that a single annual VAT reclaim is submitted covering the previous year's transactions.

Conclusion

There are no issues in this area warranting formal comment or recommendation.

Assessment and Management of Risk

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks in order to minimise the opportunity for their coming to fruition.

We note that the Council reviewed its Risk Register at its March 2026 meeting, which meets the requirement in Financial Regulations for at least an annual review.

The Council's insurance cover is provided by Aviva via Clear Councils. We have examined the content of the annual policy documents, which indicate that appropriate cover exists for the Council's needs.

We note regular reports to Council on the condition of the playpark and the Millennium Green, as well as an annual RoSPA inspection, although we would advise Council that insurers are increasingly asking that written records of regular visual inspections are retained for up to 21 years as a defence against vexatious claims.

Conclusion

There are no issues in this area warranting formal comment or recommendation, other than our observation about the retention of playpark inspection records.

Budgetary Control and Reserves

Our objective here is to ensure that the Council has a robust procedure in place for identifying and approving its future budgetary requirements and level of precept to be drawn down from the District Council. Also, that an effective reporting and monitoring process is in place. We also aim to ensure that the Council retains appropriate funds in general and earmarked reserves to finance its ongoing spending plans, whilst retaining appropriate sums to cover any unplanned expenditure that might arise.

We note that the Clerk provides members with periodic budget performance reports during the course of the year.

At its January 2026 meeting, the Council discussed and agreed a Precept for 2026-27 of £21,248.

The Council's funds at 31 March 2026 total £15,154 which is a slight increase on last years position. We regard this as a prudent level of reserve and well within the recommended minimum 3-6 months.

Conclusion

There are no issues in this area warranting formal comment or recommendation.

Review of Income

The Council has no appreciable income sources other than the Precept and the annual VAT recovery. We have verified all income detail for the year as recorded in the cashbook to supporting bank statements: we have also checked and agreed detail to such other supporting documentation as is available.

Conclusion

There are no issues in this area warranting formal comment or recommendation.

Petty Cash Account

Whilst the amount of petty cash expenditure annually is very limited, we are required, as part of the annual Internal Audit Report process on the Annual Return, to indicate the soundness of controls in this area of the Council's financial activities.

We note the balance at 31 March 2026 is £2.21, which has been certified by the Clerk.

Conclusion

There are no issues in this area warranting formal comment or recommendation.

Salaries and Wages

In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the Employee Rights Act 1998 and the requirements of HM Revenues and Customs (HMRC) legislation as regards the deduction and payment over of income tax and NI contributions. To meet that objective, we have checked the salaries paid to the Clerk and Steward to the cashbook and appropriate HMRC records, with no issues arising.

Conclusion

There are no issues in this area warranting formal comment or recommendation.

Asset Register

Councils are required, in accordance with the Governance and Accountability Manual, to maintain a detailed Asset Register and to report the value of assets accordingly in the Annual Return, based on original purchase cost, or where that value is unknown or historic, a nominal value of £1 can be used. We believe that the Council's Asset Register substantially meets this requirement.

Conclusion

There are no issues in this area warranting formal comment or recommendation.

Investments and Loans

The Council has no surplus funds in place available for investment, other than its bank account, nor does it have any loans in place either payable by or to it.

Annual Governance and Accountability Return (AGAR)

The Accounts and Audit Regulations require all Councils to prepare an Annual Governance and Accountability Return (AGAR), containing both a Governance Statement and an Accounting Statement for the year, which is subject to independent internal audit examination and certification.

During this year review, we have tested the new control objective 'O' (Assertion 10): "The authority has complied with laws, regulations & proper practices relating to digital and data compliance". We note the reasonable steps taken by the Council to address this Assertion with the completed checklist highlighting several areas that will need resolving. The Council had an Accessibility Statement on their website but this needs to be updated so that it is on the new website.

Note that since September 2020, all parish and Parish councils must have a website that complies with Website Content Accessibility Guidelines (WCAG). As from October 2024 that rating level changed from WCAG2.1 AA to WCAG2.2AA so that it meets Accessibility Guidelines as set in the Public Sector Bodies Accessibility regulations.

It has been confirmed that Hinton Charterhouse Parish Council's website does not comply with WCAG 2.2 AA. It only achieves 61% in the accessibility test and the minimum is 70%. We urge the Clerk to take steps to address this with the website provider (website used - <https://userway.org/accessibility-checker/?url=hintoncharterhouse-pc.gov.uk>)

Accessibility has been reviewed and the parish council section of the website scores 9.4 out of 10. (website used - <https://wave.webaim.org/>)

Conclusion

Other than our observations above, we have found no material issues with the Council's accounts or governance processes. Therefore we have signed off our internal audit report in the 2025-26 AGAR, with appropriate assurances in all categories except for box 'O' where we have given a negative assurance however noting that some positive steps have been taken for compliance with Assertion 10.

Rec. No.	Recommendation	Response
No recommendations made		