

Birdingbury Parish Council

Internal Audit Report for the Financial Year ending 31st March 2026

The Accounts and Audit Arrangements introduced from 1st April 2002 (lighter touch audit) requires all Town and Parish Councils to implement an independent internal audit examination of their Accounts and Accounting processes annually. The Council have complied with the requirements in terms of independence by the Council decision making process by appointing Eleanor Choudry to undertake the work for 2025/26.

This visit is to check that the Parish Council adhere to the requirements set out in the Governance and Accountability for Smaller Authorities in England ensuring that compliance is maintained. The audit concluded on 19th June 2026.

An Internal Audit testing strategy is set out in the current Governance and Accountability for Smaller Authorities in England appendix 5. This covers a "suggested approach to internal audit testing" covering 10 aspects ranging from Proper bookkeeping right through to Year-end procedures. Our Internal Audit testing is based on this approach.

My initial discussion with the Parish Clerk established any system or procedure changes to the internal controls from the previous period. I have undertaken a series of independent audit tests using the various financial records, vouchers, documents, Minutes, insurance documentation to ascertain the efficiency and effectiveness of the internal controls.

As part of this internal audit review I checked:

Bookkeeping

- The financial totals as at 31 March 2025 have been brought forward accurately.
 - The cashbook is up to date.
 - The calculations are correct.
 - VAT is evidenced and the reclaim will be paid in 2026/27.
 - The payments have been checked, and all were supported by invoices, authorised or minuted. (see page 4).
 - Income recorded in the bank account was checked to those entries shown in the cashbook.
 - The Council does not have the General Power of Competence.
 - S137 expenditure is recorded separately.
 - There is no evidence that grants are paid.
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- **Recommendation:**
 - **I recommend that:**
 - **Income items should have supporting documents.**

Due Process

- NALC Model Standing Orders were adopted in 05/25 and minuted. They are not available on the website.

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- NALC Model Financial Regulations were adopted in 05/25 and minuted. They are tailored to the council and purchasing authority is defined. They are not available on the website.
- Birdingbury PC does not have any investments or loans.
- There have not been any purchases of goods/services that require 3 quotations.
- There is evidence that periodic financial checks have been carried out by Councillors and this is minuted.
- An adopted Equality and Diversity Policy was reviewed in 01/26 and is available on the website.
- A Section 137 Grant Policy is available on the website and was reviewed in 01/26.
- A Reserves Policy was reviewed in 01/26 and is available on the website.
- The Disclosable Pecuniary Interest Forms have been completed for all Cllrs except Cllr Young. All Councillors (except Cllr Young) details are available on the Rugby Borough Council website.
- Signed agendas are available on the website and they are always displayed at least three clear days prior to a meeting.
- Periodically a Councillor signs and dates the bank reconciliations to confirm that they have been carried out accurately as part of Parish Councillor Scrutiny role.
- Periodically the Clerk signs and dates the bank reconciliations to confirm that the total of the bank account agrees to the cashbook totals.
- Each month receipts/payments and balances are summarised and supplied to each Councillor at the meetings.
- There is evidence that apologies are minuted.
- Declaration of members interests are minuted.
- The PC complied with the AGAR publication requirements in 2024/25.

Risk Management

- A scan of the minutes does not reveal any unusual activity.
- An annual inspection of the play equipment was carried out by Sovereign. Evidence of physical monthly/weekly checks for the play equipment has not been seen.
- A Health and Safety Policy and a Lone Working Policy were reviewed in 01/26, and the policies are available on the website.
- Minutes are consistently signed. Pages are identified. Minute references do not run consecutively across the year but match agenda reference numbers.
- Financial payments are added to the agenda and the bank balance is regularly reported.
- The Risk Assessment was not reviewed in 2025/26.
- The PC has a .gov.uk website domain and email addresses.
- The annual insurance policy has been renewed.
- There is £10 million in Public Liability and £5 million Employers Liability.
- The Clerk provided evidence that the website met the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.
- The Clerk advised that the IT Policy is being drafted and will be adopted in 2026/27.
- The Council publishes the information required by legislation, a Publication Scheme which details the information available and how it can be accessed.

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- **Recommendation:**
- **I recommend that:**
- **The Risk Assessment is reviewed annually.**
- **The Council needs to ensure it is effectively managing all its risks. It should consider specifying IT and data management risks and the control arrangements operating. Examples of risk considerations e.g. ensuring the Council can gain access to the electronic data and information held, should the Clerk become unavailable.**

Budget

- An annual budget is prepared, discussed and adopted by the council.
- There is evidence that Birdingbury PC have considered the level of the precept.
- The precept demand is approved and minuted and the amount requested is stated.
- There is evidence of budget setting and general reserves.
- The council has a Reserves Policy and reserves are appropriate based on expenditure.

Payroll – Clerk/RFO

- A Contract of Employment is customised and signed.
- There is evidence that the PAYE has been paid and approved.
- There is compliance with minimum wage requirements.
- There is evidence of current Employers Liability Insurance.
- A Disciplinary, Dismissal and Grievance Policy was reviewed in 01/26 and is available on the website.

Asset Control

- An Asset Register for 2025/26 is available, the value of individual assets is listed. Dates of purchase to be added.

Bank Reconciliation

- There is evidence of a bank reconciliation.
- There is evidence that the bank reconciliations have been reviewed by Councillors and minuted.
- There does not appear to be any unexplained balancing entries in the reconciliation.

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Banking and Investments

- It was noted that the Parish Council has Bank Account with Unity Trust bank account: Birdingbury Parish Council Account number XXXXXX234 and Hampshire Trust Bank Account.

Year End Procedures

- Year-end accounts are prepared correctly on a receipts and payments basis and the bank statements and ledger reconciled.

Misc

- Evidence has not been seen that the PC has reviewed the Code of Conduct, and all Cllrs have signed.
- The Clerk informed me that all electronic files are backed up to the cloud.
- Arrangements are correctly in place for the public inspection of the Council's records for 2024/25.
- The Council is registered with the ICO.

For the year 2025/2026 an audit trail of the following payments was carried out:-

PAYMENT	PAYEE	AMOUNT £
02/05/25	Jackie Chapman	186.00
28/07/25	Michael Mann	1,044.00 *
11/09/25	Hugofox	11.99
14/11/25	Cas Ltd	467.68
14/01/26	Michael Mann	174.00
03/03/26	SLCC	47.50

- 2 separate invoices have been added together in the cash book. Invoices should be listed individually.

Conclusion

The internal audit has identified areas where improvements should be considered, and recommendations have been made.

This report should be noted and taken to the next meeting of the Parish Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Report should be minuted by the Parish Council.

The responsibility for the prevention and detection of fraud, error and non-compliance with the law or regulations rests with the Council. The internal audit should not be relied upon to

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disclose all material misstatements or frauds, errors, or instances of non-compliance, as may exist.

As the Councils appointed internal auditor, I confirm that I am independent of the Council.

I would like to acknowledge the support and assistance provided by the Parish Clerk during the internal audit review.

Eleanor Choudry, CiLCA, AAT, PIALC

Internal Auditor