

# Internal Audit

## Wendlebury Parish Council

### Year ending March 2025

Internal auditor Lisa Wilkinson

This internal audit report is based upon the Practitioners' Guide 2025: Governance and Accountability for Smaller Authorities in England.

<b>Name of Council</b>	Wendlebury	<b>Name of Clerk to the Council</b>	Sarah Kearney
<b>No. Of Councillors</b>	6	<b>Name of RFO</b>	Sarah Kearney
<b>Quorum</b>	3	<b>Precept (for audit year)</b>	<b>£7,681.00</b>
<b>Electorate</b>		<b>Gross budgeted income</b>	

A sample-based review was carried out, assessing relevant policies, procedures, and controls. Findings were referenced through the examination of digital records, paper documentation, and a review of the parish council's website. This report highlights the issues identified during the internal audit but does not provide an exhaustive list of all potential weaknesses or areas for improvement.

Internal control objective	Response	Notes/Recommendations
A. Appropriate accounting records have been properly kept throughout the year	Yes	Excel is used for the Council’s accounts and kept up to date. The opening balances in the cashbook agree to the audited accounts for 23-24, as published on the Council website. The opening balance on the bank accounts was £20,499. This agrees to box 8 on the audited accounting statements for 23-24. Council Minutes are up to date and draft minutes are published within one month, usually within 7 days.

Internal control objective	Response	Notes/Recommendations
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for	Yes	<p>Standing orders were reviewed in November 2023. The latest NALC model version has been adopted <b>Recommend that these are reviewed annually.</b></p> <p>Financial Regulations were reviewed in September 2024 and are reviewed annually. The latest NALC model version has been adopted. The Standing Orders and Financial Regulations specify the same tender thresholds.</p> <p>Sample of payments provided have full audit trail. There has been no high value expenditure this year. Invoices are signed by councillors. Payments are agreed and minuted. The clerk provides a payment sheet in the agenda pack at every meeting. This details the item, amount, budget line and minute reference.</p> <p>The Council has effective controls on the making of payments with dual authorisation necessary for all payments. . Bank mandate is currently limited to 2 councillors. <b>Recommend more councillors are added to the mandate to cover for absences/resignations</b> No debit or credit card is held. <b>Recommend that the Council investigates electronic banking whilst not a formal requirement does make payments much easier.</b></p>

Internal control objective	Response	Notes/Recommendations
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes	A formal risk register is held and was reviewed at the Council meeting January 2025. Renewal of the PC's insurance premium is due in June. A 3-year long-term agreement is held until 2025. Appropriate levels of cover are held for Fidelity guarantee, public liability and employers' liability. The Council is registered with the ICO. The PC has no responsibility for the playground.

Internal control objective	Response	Notes/Recommendations
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate	Yes	A budget was prepared and formally approved at the November 2023 Council meeting. The Council approved the annual precept for this financial year at the November 2023 meeting.  Budget reports are submitted to Council regularly and any variances are closely monitored and dealt with. Earmarked reserves were agreed at the May 2024 meeting and published on the website. <b>Recommend that when reviewing earmarked reserves, the general reserves are also reviewed to ensure they are at an adequate level (between 3 months and 12 months of net revenue expenditure).</b>

Internal control objective	Response	Notes/Recommendations
E. Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.	Yes	The precept received agrees to central government records. VAT reclaim is undertaken annually. The 2023-24 VAT reclaim was provided. Allotment income is collected.
F. Petty Cash payments were properly supported by receipts; all petty cash expenditure was approved and VAT appropriately accounted for	N/A	No petty cash is used.

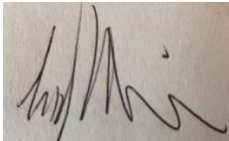
<p>G. Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied</p>	<p>Yes</p>	<p>A formal contract of employment is held. The Council is registered as an employer and PAYE is properly dealt with. A payroll software company is used. A pension has been offered.</p>
<p>H. Asset and investment registers were complete and accurate and properly maintained</p>		<p>The asset register was reviewed at Council meeting in January 2025. Cost value of assets is shown correctly. Assets were checked and minuted in January 2025.</p>
<p>I Periodic bank account reconciliations were properly carried out during the year.</p>		<p>Bank reconciliation is carried out monthly. The January bank reconciliation was provided as evidence. Bank reconciliations are authorised bi-monthly at each Council meeting. The year-end bank reconciliation agrees to the supporting bank statements.</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 adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded</p>		<p>Receipts and Payments accounting is used. The total of Lines 2 and 3 agree to the total value of receipts recorded in the cashbook. The correct precept was received. Total receipts and payments agree to the cashbook. The value stated in Line 8 agrees to the year-end bank reconciliation and supporting bank statements. Line 9 agrees to the value of the asset register.</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>Yes</p>	<p>The Council meets the criteria for a Certificate of Exemption</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>The Council published within the allowed timeframe the required documents to meet the Transparency Code for Smaller Authorities:</p> <ul style="list-style-type: none"> <li>• All items of expenditure above £100</li> <li>• End of year accounts</li> <li>• Annual governance statement</li> <li>• Internal audit report</li> <li>• List of councillors</li> </ul>

		<ul style="list-style-type: none"> <li>• Location of public land and building assets</li> <li>• Minutes, agendas and papers of formal meetings</li> </ul>
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>Notice of Public Rights was correctly published.</p> <p><b>Recommend that the Council confirms in the minutes the dates set: this is not a statutory requirement but it is accepted as audit evidence that the Council complied with the publication requirements.</b></p>
N. The authority complied with the publication requirements for the prior year AGAR.		<p>Internal Financial Controls policy has been reviewed.</p> <p>The Annual Governance Statement and Accounting Statements were published on the website.</p> <p><b>The minute reference for each was the same. The Annual Governance Statement must be authorised at Council meeting first followed by the Accounting Statements using separate minute references.</b></p> <p>The internal audit report, significant variances and Certificate of Exemption from External Audit have been correctly published.</p> <p>Recommendations from the previous internal auditor are being actioned: an action plan has been drawn up (minuted July 2024).</p>
O. Trust funds (including charitable) - the Council met its responsibilities as a trustee	N/A	The Council is not a trustee.

Internal control objective	Response	Notes/Recommendations
<b>Miscellaneous</b>		
Website Accessibility	Yes	A website accessibility statement is published on the website. Documents are published as pdfs.
Members' interests		Declarations of members' interests are recorded at Council meetings appropriately. The list of Members' Interests is held on the Cherwell District Council website with a link to Wendlebury PC's website. Code of conduct was reviewed in November 2024.
Policies		The Council has several policies in place including: <ul style="list-style-type: none"> <li>• Biodiversity policy</li> <li>• FOI publication scheme</li> </ul>

		<ul style="list-style-type: none"> <li>• Privacy notice</li> <li>• Data Protection policy</li> <li>• Document retention policy</li> </ul>
S137/General Power of Competence	Yes	S137 payments are identified in the minutes and the clerk is aware of the annual payment limit.

<b>Any further comments</b>
<p>There are adequate governance and financial procedures in place but please note the following recommendations:</p> <ul style="list-style-type: none"> <li>• more councillors should be added to the bank mandate to cover for absences/resignations</li> <li>• Standing Orders should be reviewed annually.</li> <li>• the Council could investigate electronic banking; whilst not a formal requirement it does make payments much easier.</li> <li>• when reviewing earmarked reserves, the general reserves should also be reviewed to ensure they are at an adequate level (between 3 months and 12 months of net revenue expenditure).</li> <li>• the Council confirms in the minutes the dates set: this is not a statutory requirement but it is accepted as audit evidence that the Council complied with the publication requirements.</li> <li>• the minute reference for authorisation of sections 1 and 2 of the AGAR was the same last year. The Annual Governance Statement must be authorised at Council meeting first followed by the Accounting Statements using separate minute references.</li> </ul>
<p><b>Acknowledgments</b> The help and co-operation of Sarah Kearney is greatly appreciated.</p>

<b>Internal audit carried out by</b>	<b>(signed)</b>	<b>(print)</b>
		<b>Lisa Wilkinson</b>
<b>Audit type (delete as appropriate)</b>	<del><b>INTERIM</b></del> <b>ANNUAL</b>	
<b>Date</b>	<b>14/5/2025</b>	
<b>Part 3 of Annual Return form completed and signed</b>	<b>14/5/2025</b>	