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Jane Olds
13 Oak Close
Bicester
Oxfordshire
OX26 3XD
01869 247171
janeolds.parishclerk@gmail.com

2024/25 Internal Audit Report for Great and Little Kimble cum Marsh Parish Council

From Jane Olds – Internal Auditor

I reviewed the documents provided and met with the Clerk, Pauline McBride, on 22 April via Teams and finalised the information on 27 April.

BASIS OF REPORT

This internal audit report is based upon the Joint Panel on Accountability and Governance (JPAG) Practitioners' Guide in England 2024 publication.

The scope of this internal audit is focused on assessing the effectiveness of the Council's internal controls and was outlined in the original Letter of Engagement. Where any such controls are found to be deficient, the internal audit will help lead to improvement in those processes.

By applying the principles of internal auditing, outlined in the current Accounts and Audit Regulations and applying the approach to internal audit testing outlined above, every effort is made to ensure that all internal audits are conducted with due professional care, integrity and independence. All conclusions derived from the audit are based upon objective and traceable evidence.

Please note: it would be incorrect to view internal audit as the detailed inspection of all records and transactions of the Council in order to detect error or fraud. It is the periodic independent review of a Council's internal controls resulting in an assurance report designed to improve effectiveness and efficiency of the activities and operating procedures under the Council's control. Managing the Council's internal controls should be a day-to-day function of the staff and Councillors and not left for internal audit. (Source: (JPAG) Practitioners' Guide 2024 – Section 4).

Annual Return Section	Process	Findings	Recommendations and actions
A	Bookkeeping Arrangements	Appropriate books of account have been kept properly throughout the year and are well maintained with limited audit trails.	While accounting records have been kept throughout the year, the resolution to make purchases / transactions must be minuted more effectively.

Annual Return Section	Process	Findings	Recommendations and actions
B	Council's Financial Regulations have been met with regard to expenditure	<p>The Council's Financial Regulations have been met in that appropriate authorisations have been given for each level of expenditure.</p> <p>Payments were supported by invoices, and expenditure was approved and VAT appropriately accounted for.</p>	Ensure that all agreements for orders are minuted at Full Council prior to the payment being made.
C	Review of Internal Controls	The Council has adequate Internal Control provision including a policy and a Councillor Responsible for Internal Financial Control.	The check sheet should include checks against the minuted agreement for purchase to ensure that the invoice agrees with the original minuted cost.
C	Review of Risk Assessment	The Council has assessed the significant risks to achieving its objectives using their Risk Assessment; the document was adopted at a meeting on 8 May 2024 and has been published.	<p>Consider all financial risks including the possibility of the cost of an election, the loss of Councillors to make the Council inquorate or uninsured risks.</p> <p>Practitioners' Guide recommendations should be used (currently starting at 5.89 and criteria 5.97).</p>
D	Budgetary Controls (Precept requirement)	The annual Precept requirement resulted from an adequate budgetary process.	No further recommendations.
D	Budgetary Controls (Budget monitoring)	Progress against the budget was monitored and minuted regularly.	No further recommendations.
D	Reserves were appropriate	Reserves were accounted for. Include the amounts in the reserves in the policy.	No further recommendations.
D	The final outturn is in line with expectations	The final outturn was materially in line with expectations.	No further recommendations.
E	Income controls	Expected income was fully received and properly recorded.	No further recommendations.

Annual Return Section	Process	Findings	Recommendations and actions
E	VAT	VAT had been appropriately accounted for.	No further recommendations.
F	Petty cash controls	Petty cash is not operated by the Council.	No further recommendations.
G	Payroll controls	Salaries to employees were paid in accordance with Council approvals and with appropriate deductions applied.	No further recommendations.
H	Asset Controls - all material assets correctly recorded	The current asset register has correctly recorded all material Assets. The correct basis of valuation has been applied.	No further recommendations.
H	Asset Controls - all additions and removals correctly recorded	Additions in the year have been correctly recorded within the Cash Book and Register.	No further recommendations.
H	Asset Controls - all Deeds and Titles established and shown on register?	All appropriate Deeds and Titles have been established and are shown on the Register.	No further recommendations.
H	Investment Registers	Investment registers were properly accounted for.	Ensure the Investment Strategy is formally adopted.
I	Bank Reconciliations	Periodic and year-end reconciliations were properly carried out.	No further recommendations.
J	Accounting Statements	The Accounting Statements prepared during the year were prepared on the correct accounting basis and were supported by an adequate audit trail.	No further recommendations.
K	Limited Assurance Review Exemption	The Council does not meet the exemption criteria.	No further recommendations.
L	Information published on website	The information is available.	See below for recommendations about the website.
M	Exercise of Public Rights	The Parish Council published the exercise of public rights notice on the website and noticeboard with the following dates: 10 June to 19 July 2024.	No further recommendations.

Annual Return Section	Process	Findings	Recommendations and actions
N	AGAR publication Requirements	The Parish Council complied with the publication requirements for the 2023/24 AGAR.	No further recommendations.
O	Trust funds (if applicable) – the Council met its responsibilities as a trustee	The Parish Council operates as a Custodian Trustee. No accounts are held and no returns are necessary.	No further recommendations.

Transparency Compliance

Process	Criteria	Findings	Recommendations and actions
Review of Internal audit action plan has been considered and actioned?	Good Practice	The Internal Audit had been reviewed the previous year.	No further recommendations.
External Audit recommendations have been considered and actioned.	Good Practice	The Conclusion of Audit report had been received for 23/24 and had been published on the website. Findings: none.	No further recommendations.
Accounting Statements agreed and reconciled to the Annual Return	Section 2 of the Annual Return is complete and accurate and reconciles to the statement of accounts.	The accounting statements in this annual return present fairly the financial position of the Council and its income and expenditure.	No further recommendations.
Compliance with the Transparency Code	While the Parish Council does not fall in to the criteria for Councils below the £25k threshold, it is good practise for Parish Councils above the threshold to comply.		
Compliance with the Transparency Code	1) Expenditure over £100 is recorded on the Council website and with all information requirements	Available on the website.	No further recommendations.
Compliance with the Transparency Code	2) Annual Return published on the website	Available on the website.	No further recommendations.
Compliance with the Transparency Code	3) Explanation of significant variances	Available on the website.	No further recommendations.

Process	Criteria	Findings	Recommendations and actions
Compliance with the Transparency Code	4) Explanation of difference between Box 7 & 8 if applicable	Not applicable.	No further recommendations.
Compliance with the Transparency Code	5) Annual Governance Statement recorded	Available on the website.	No further recommendations.
Compliance with the Transparency Code	6) Internal Audit Report Published	Available on the website.	No further recommendations.
Compliance with the Transparency Code	7) A List of Councillors' responsibilities	Available on the website.	No further recommendations.
Compliance with the Transparency Code	8) Details of Public Land and Building Assets	Available on the website.	No further recommendations.
Compliance with the Transparency Code	9) Minutes & Agenda	Available on the website.	No further recommendations.

Further Recommendations:

Following the completion of the Internal Audit, the Council should undertake a review of effectiveness as per Regulation 6 of the Accounts and Audit Regulations 2015. A blank form can be supplied.

Staff Salary and Appraisal

I have noted that the Clerk's current salary is not linked to the NJC salary scales which are published by NALC / SLCC and circulated by BMKALC. I recommend that the Council reviews the salary and scales in line with the publication. As the cost of living increase is calculated nationally, it should help to guide the Council.

As an employer, the Council should consider the NALC publication *The Good Councillor's Guide to Employment* and attend training. This will give guidance on conducting the Clerk's appraisal which should be undertaken annually.

Minutes and Decision Making

As mentioned last year, Minutes need to include resolutions and more factual detail about those resolutions.

A text along the lines of below would aid the clarity of the minutes:

"The Council **RESOLVED** to agree to engage [contractor name] to undertake the installation of the Christmas lights at [place] at a total cost of £xx".

It is useful to have the word "resolved" in bold and capital letters as this then indicates that the Council has made a formal decision.

There are still some 'regular payments' which, while on the 'preferred supplier list' have not been reviewed. The contracts for the website hosting and the grass cutting should be reviewed at least every three years to ensure that the Council is obtaining best value for money and to ensure that the contractor is still fit for purpose. The approval of the contracts should be formally minuted with the name of the contractor and the amount of the contract.

I noted that some items in the correspondence part of the minutes, would have been better to have been included as separate agenda items. This avoids the possibility of decisions being made under items of correspondence.

Powers to Spend and the General Power of Competence

The meeting after an election is the time to consider whether the Council qualifies to maintain the General Power of Competence. However, as the Council will not qualify, it will now need to understand the powers to spend. The most common powers are in the back of the latest *Good Councillors Guide* however, the Scribe Accounts package will also be able to provide the information.

Website

The current domain name is a .org domain. The Central Digital and Data Office (part of the Department for Science, Innovation and Technology) has been promoting the adoption of .gov.uk domain names for all parish and town councils. According to Nominet, the UK registrar, .co.uk is for companies and .org or .org.uk is for charities, neither of which the Parish Council could be considered.

The Smaller Helper Domain Service is still available to help parish and town councils transfer over to .gov.uk. As the current website is a number of years old and the provision should be reviewed any way, I recommend that a review of the website provision is undertaken and consideration given to transfer to a .gov.uk domain. More information about the help available can be found at <https://www.gov.uk/guidance/moving-your-parish-council-to-a-govuk-domain>

Civility and Respect Pledge

I noted that the Council has not yet signed up to the Civility and Respect pledge. This has been developed by NALC, SLCC and One Voice Wales. It is designed as a starting point to encourage all Councils – regardless of size – to be civil and respectful to all and to expect the same from others, but it also has advice and assistance which can be used should any member fall short of the pledge. While the current Council is well-run and amicable, it is not known what will happen in the future.

Conclusion

The above are recommendations to help the Council improve its processes and in no way detract from the work it, and the Clerk, has already done.

Kimble Parish Council has an electorate in the region of 890 and the Precept for the year 24/25 was set at £42,000.

In general, I believe that the Council has competent arrangements in place to satisfy itself that its systems of internal financial control are transparent and effective. There are approval and authorisation controls to minimise risk. The audit and management trail for financial transactions is good.

This report should be noted and taken to the next meeting of the Council for minuting to inform them of the Internal Audit work carried out.

For information, I have now undertaken four reviews of Kimble Parish Council and I recommend that the Council fully reviews the internal audit provision for the year 2025/26.

I hope that this report is of help to the Council. If you would like any further assistance or clarification, please do contact me.

Jane Olds

Jane Olds
Internal Auditor