

## Internal Audit Report

For Hillborough Parish Council

Financial Year 24/25

Prepared by Kate Leggett

15.5.25

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I have completed an internal audit of the accounts for Hilborough Council for the year ending 31<sup>st</sup> March 2025.

My findings are detailed below using the tests provided in the **Governance and Accountability (England) March 2024**.

**I would like to thank the Clerk/RFO for providing me with all the information required for the Internal Audit.**

Internal control	Test	Observations
Proper bookkeeping	Is the cashbook maintained, up to date and arithmetically correct?	YES
	Are payments and receipts regularly reported to Council?	YES
	Is the cashbook regularly balanced to the bank?	YES
	Is this reported to Council?	
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and when were they last reviewed?	YES May 24
	Has the council formally adopted Financial Regulations and when were they last reviewed?	YES May 24
	If applicable, was the review of these documents minuted?	YES
	Has a Responsible Financial Officer been appointed with specific duties?	YES
	Have Financial Regulations been followed in respect of purchases?	YES
	Are payments in the cashbook supported by purchase orders / invoices?	YES
	Has VAT on payments been identified, recorded and reclaimed?	YES
	Has s137 expenditure been approved and separately recorded and within statutory limits? (where applicable)	N/A as no S137 payments this year.

Internal control	Test	Observations
Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	NO
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme?	YES
	Are risks assessed using the Risk Matrix? (refer G & A)	YES
	Is insurance cover appropriate and adequate?	YES
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	YES Jan 25
	Has the precept been calculated from the budget and been approved?	YES
	Does the budget include an actual completed year?	YES
	Is actual expenditure against budget regularly reported to the council?	YES
	Are there any significant unexplained variances from budget?	NO
Income controls	Is income properly recorded, reported to Council and promptly banked?	YES
	Does the precept recorded agree to the Council Tax authority's notification?	YES
	Are security controls over cash and near-cash adequate and effective?	YES

Internal control	Test	Observations
Petty cash procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	N/A
	Is petty cash expenditure reported to each council meeting?	N/A
	Is petty cash reimbursement carried out regularly?	N/A
Payroll controls	Do all employees have contracts of employment with clear terms and conditions?	YES
	Do salaries paid agree with those approved by the council?	YES
	Are salaries above the National Living Wage/Minimum Wage?	YES
	Are other payments to employees reasonable and approved by the council?	YES
	Have PAYE/NIC been properly operated by the council as an employer?	YES
Asset controls	Does the council maintain a register of all material assets owned or in its care?	YES
	Are the assets and Investments registers up to date? When were these last reviewed?	YES
	Do asset insurance valuations agree with those in the asset register?	YES
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	YES

Internal control	Test	Observations
	Is a bank reconciliation carried out regularly and in a timely fashion?	YES
	Are there any unexplained balancing entries in any reconciliation?	YES
	Is the value of investments held summarised on the reconciliation?	YES
Year-end procedures	Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)?	YES
	Do accounts agree with the cash book and has a year-end bank reconciliation been undertaken?	YES
	Is there a detailed explanation for variations in AGAR Financial Statement?	YES
	Is there an audit trail from underlying financial records to the accounts?	YES
	Where appropriate, have debtors and creditors been properly recorded?	YES
Procedural	Have points raised on the last Internal Audit report been considered by council and actioned?	N/A
	Where applicable, has the Report received from External Audit been presented to the Council?	N/A
Transparency: For smaller councils with	Minutes for whole year on website?	YES
	Agendas for whole year on website?	YES

Internal control	Test	Observations
turnover under £25,000	Payments over £100 / £500 (as appropriate) detailed on website?	YES
	Electors' rights advertised on website?	YES
	Councillors' responsibilities detailed on website?	YES
	Last financial year's AGAR on website?	YES
	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	YES
Burial Authorities only	Are fees levied in accordance with the Council's approved scale of fees and charges?	N/A
	Have fees for the cemetery been reviewed and agreed by Council?	N/A
	Were comparisons made with other cemeteries prior to setting the fees?	N/A
	Have burial books been kept up to date and are they safely stored?	N/A
Allotments only	Has a list of allotment holders with amounts paid to Council been submitted?	N/A
	Have fees for the allotments been reviewed and agreed by Council?	N/A
	Are tenancy documents detailed as required by statute?	N/A

Internal control	Test	Observations
General Data Protection Regulation (compliance from 25 May 2018)	Has the Council put in place a Privacy Notice and a DP Policy?	YES
	Is it on the website?	YES
FOI Publication Scheme	Is there an FOI Publication Scheme?	YES
	Is it on the website?	YES
	Is it updated?	YES

**Summary of recommendations which must include details of any item entered as “NO” on the Internal Audit Report.**

**Name of Internal Auditor: Kate Leggett**

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**Date: 15.05.2025**

