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2025/26 Internal Audit Report for Great Milton Parish Council

From Jane Olds – Internal Auditor

I reviewed the documents provided and met with the Clerk, Jacqueline Wren, on 13 April via Teams and finalised the information on 2 May.

BASIS OF REPORT

This internal audit report is based upon the Smaller Authorities Proper Practices Panel (formerly the Joint Panel on Accountability and Governance) *Practitioners' Guide 2025* 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. Internal Audit 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: *Practitioners' Guide 2025* – Section 4).

AGAR Ref	Process	Findings	Recommendations and actions
A	Bookkeeping Arrangements	Appropriate books of account have been kept properly throughout the year using the Scribe accounting system and are well maintained with sound audit trails. The use of Scribe is a great improvement.	As recommended last year, while accounting records have been kept throughout the year, the resolution to make purchases / transactions must be minuted more effectively.

AGAR Ref	Process	Findings	Recommendations and actions
A	Minutes	Minutes for the year are complete and have been signed / initialled as approved by the Chair of the following meeting.	Ensure minutes are dated when signed and properly filed.
B	Council's Financial Regulations and Standing Orders are in place and were reviewed	The Council's Financial Regulations were reviewed at a meeting in February 2021. The Council's Standing Orders were adopted at a meeting on 21 July 2025.	As mentioned last year, the Financial Regulations are out of date. The new version from NALC should be considered and adopted at the earliest opportunity.
B	Council's Financial Regulations have been met with regard to expenditure following review of a random sample of transactions	The Council's Financial Regulations have been met in that appropriate authorisations have been given for each level of expenditure. Payments were supported by invoices, and expenditure was approved and VAT appropriately accounted for.	No further recommendations.
B	Payment process	Payments are presently made by bank transfer, approved and minuted prior to payment with 3 Councillors on the banking mandate.	Ensure that the bank mandate is reviewed at least annually.
B	Debit card payments	The Clerk does not hold a debit card.	Consideration of a debit card should be given.
B	Review of S137 expenditure	There is a column for S137 expenditure, as required.	No further recommendations.
B	General Power of Competence	The Council did not qualify for the General Power of Competence.	No further recommendations.
C	Review of Internal Controls	The Council has Internal Control provision including a Councillor Responsible for Internal Financial Control.	Adopt a policy to outline all responsibilities.
C	Review of Risk Assessment	The Council does not appear to have recorded that it assessed the significant risks to achieving its objectives using their Risk Assessment during the current year.	The Risk Assessment must be reviewed and adopted annually. Sections 1.31 – 1.33 and 5.85 – 5.94 of the latest Practitioners' Guide should be consulted.

AGAR Ref	Process	Findings	Recommendations and actions
C	Review of insurance	Insurance was reviewed at a meeting on 19 May for the renewal on 1 June.	No further recommendations.
D	25/26 Budget and Precept consideration	The 25/26 Precept requirement resulted from an adequate budgetary process which was agreed on 16 December 2024 with the amount £23,000.	No further recommendations.
D	26/27 Budget and Precept consideration	The 26/27 Precept requirement resulted from an adequate budgetary process which was agreed on 15 December 2025 with the amount £24,000.	No further recommendations.
D	Budget monitoring	Progress against the budget was monitored and minuted regularly.	No further recommendations.
D	Reserves were appropriate	Reserves were adequately accounted for. A Reserves policy was adopted on 15 December 2025.	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 recorded. The correct Precept amounts were received and match the Government's report.	Ensure that income is recorded in the minutes (allotment and advertising income does not have to be recorded individually).
E	VAT	VAT had been appropriately accounted for and the reclaim for 24/25 had been received on 11 June.	No further recommendations.
F	Cash controls	Petty cash is not operated by the Council. No cash is received.	No further recommendations.
G	Payroll controls	Salaries to employees were paid in accordance with Council approvals and with appropriate deductions applied.	No further recommendations.

AGAR Ref	Process	Findings	Recommendations and actions
G	HMRC Registration	The Council is registered with HMRC as an employer. Payments in respect of PAYE were verified.	Ensure that payments to HMRC are made in a timely manner.
G	Payroll rates	The current hourly rate of pay is based on the 2025/26 NJC National Salary Award (issued July 2025).	No further recommendations.
G	Home Working Allowance	The Home Working Allowance of £6 a week is paid.	No further recommendations.
G	Pensions Regulator	The Council is registered and in compliance with the Pensions Regulator – the re-declaration was made on 5 January 2026	No further recommendations.
H	Asset Controls - all material assets correctly recorded	The current asset register has correctly recorded all material Assets at purchase cost. 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 have been established and shown on register	Deeds and Titles do not appear on the Register.	As recommended last year, establish any titles for land.
H	Investment Registers	No investment register was required.	No further recommendations.
H	Loans	The Council does not have any loans.	No further recommendations.
I	Bank Reconciliations	Periodic and year-end reconciliations were properly carried out and reviewed.	No further recommendations.
J	AGAR Accounting Statements	The Accounting Statements prepared during the year were prepared on the Receipts and Payments accounting basis and were supported by an adequate audit trail.	No further recommendations.
J	AGAR Accounting Statements	Line 2 matched the Precept amount.	No further recommendations.
J	AGAR Accounting Statements	Lines 2 and 3 equal the total receipts in the cashbook.	No further recommendations.
J	AGAR Accounting Statements	Line 4 only contains staff costs.	No further recommendations.

AGAR Ref	Process	Findings	Recommendations and actions
J	AGAR Accounting Statements	Lines 4, 5 and 6 equal the total payments in the cashbook.	No further recommendations.
J	AGAR Accounting Statements	Year-end bank statements match line 8 of the Accounting Statement.	No further recommendations.
J	AGAR Accounting Statements	Line 9 agrees to the value of the asset register.	No further recommendations.
K	Limited Assurance Review Exemption	The Council did not meet the exemption criteria for the year 2024/25.	No further recommendations.
L	Information published on website	The information is available.	No further recommendations.
L	The Council is in compliance with the Accounts and Audit Regulations 2015 regulation 13	The Council has five years of AGARs and associated documents published.	No further recommendations.
L	Compliance with the Transparency Code for Smaller Authorities 2015	While the Parish Council does not fall in to the criteria for Councils below the £25k threshold, it is good practice for Parish Councils above the threshold to comply.	
L	Expenditure over £100 is recorded on the Council website and with all information requirements	Available in the minutes.	No further recommendations.
L	AGAR Exemption Certificate	Not applicable.	No further recommendations.
L	Section 1 Annual Governance Statement	Available on the website and recorded in the minutes (minute reference: 29/25)	No further recommendations.
L	Section 2 Annual Accounting Statements	Available on the website and recorded in the minutes (minute reference: 30/25)	No further recommendations.
L	Explanation of significant variances	Not currently available on the website.	Publish the document submitted to the External Auditor.
L	Explanation of difference between Box 7 & 8 if applicable	Not applicable.	
L	Internal Audit Report Published	Available on the website and recorded in the minutes (minute reference: 28/25)	No further recommendations.
L	A List of Councillors' responsibilities	Available on the website.	No further recommendations.

AGAR Ref	Process	Findings	Recommendations and actions
L	Details of Public Land and Building Assets	2024 version available on the website.	Update to the latest version.
L	Minutes & Agenda	Available on the website.	No further recommendations.
M	Exercise of Public Rights for 24/25	The Parish Council published the exercise of public rights notice on the website and noticeboard with the following dates: 23 June to 1 August 2025. The notice was dated: 20 June 2025	No further recommendations.
N	AGAR publication Requirements	The Parish Council complied with the publication requirements for the 24/25 AGAR by publishing Sections 1 and 2 on the website.	No further recommendations.
N	24/25 Internal Audit has been published, and the recommendations have been considered and actioned	The Internal Audit had been published on the website. It had been reviewed the previous year.	No further recommendations.
N	24/25 External Audit Certificate has been published, and the recommendations have been considered and actioned	The receipt of the Conclusion of Audit report and certificate had been recorded in the minutes on 15 September and had been published on the website before 30 September. Findings: Box 8 of the 24/25 accounting statements should have been restated and the Council should have answered 'no' to Assertion 7 of Section 1. There was a rounding issue with the figures on the Accounting Statements. The period between the approval of the accounts and the public rights period is as soon as practicable.	Ensure compliance.
N	24/25 Conclusion of Audit Notice	The Conclusion of Audit Notice had been published on 9 September 2025	No further recommendations.

AGAR Ref	Process	Findings	Recommendations and actions
O	Website domain name and accessibility	The Council has an authority owned domain name: https://greatmilton-pc.gov.uk/ The website has an Accessibility Statement which is available at https://greatmilton-pc.gov.uk/accessibility-statement/ . The Council has published a Privacy Notice which is available on the website at https://greatmilton-pc.gov.uk/privacy-policy/ .	No further recommendations.
O	Authority owned email accounts to align with GDPR principles	The Council has council-owned domain email accounts for the Clerk and Councillors which are in use.	No further recommendations.
O	IT Policy	The Council does not currently have an IT Policy.	A template IT Policy is available from the Government Digital Service and is mentioned in the Practitioners' Guide.
O	Data protection	The Council is registered with the ICO (reference: ZA331346).	Adopt the latest publication scheme available from the ICO's website (see Template Guide to Information for Parish Councils) Ensure that the Council also has a suitable Document Retention and Disposal Policy.
O	Transparency Code	See above	
P	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.

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.

Payments

I reviewed a number of invoices where a minute reference could not be provided to show when the Council resolved to agree to make the order or undertake the work – this should be different from when the Council agreed to authorise the invoice in order that the Council can be assured that the amount agreed to be spent is what is on the invoice. I also recommend that long term agreements – such as the dog bin emptying or the defibrillator maintenance contract – should be reviewed and documented at least every three years, particularly to ensure that the Council is obtaining best value for money.

I recommend that other payments such as the annual subscriptions should be included in a list of regular expenditure which should be agreed at the April meeting for the new financial year.

Risk Assessment

As mentioned in Point C. above – and last year – the Council must assess the significant risks to achieving its objectives annually, but it does not appear that the Risk Assessment was reviewed last year. The new document must cover the financial aspects of Council business – the Practitioners' Guide gives comprehensive advice. The Council must consider and assist in completing the document as soon as possible as it is the Council which must take responsibility for this with the Clerk's guidance.

As the Council did not review the document, it should consider the response to the Annual Governance statement number 5.

Training

The Council should be congratulated on supporting the Clerk in training and for Councillor attendance at training. I recommend Councillor attendance at the monthly OALC Councillor Forum would be of benefit. I further recommend that all Councillors should be given a login to the OALC portal.

Provision of Equipment

Last year, I recommended that the Council considered providing the Clerk with a mobile smartphone in order that her personal numbers are not publicly available and all two factor authentication needs can be contained on council-owned equipment. This should be considered further.

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.

I have noted that many of the actions which I recommended last year have been completed; the Clerk and Council should be commended for this.

Great Milton Parish Council has an electorate in the region of 640 and the Precept for the year 25/26 was set at £23,000

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 included on the agenda for the next meeting of the Council and used to aid consideration of the Council's responses to the AGAR Annual Governance Statement.

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