

Hilborough Parish Council

Internal Audit Report
Financial Year 2025/26

Prepared by Sarah Hunt
27th April 2026

I have completed an internal audit of the accounts for Hilborough Parish Council for the year ending March 2026.

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

Internal control	Test	Observations
Proper bookkeeping	Is the cashbook maintained and up to date?	Yes
	Is the cashbook arithmetically correct?	Yes
	Is the cashbook regularly balanced?	Yes
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Standing Orders - yes Financial Regulations - yes
	Date Standing Orders last reviewed	May 2023 – need updating
	Date Financial Regulations last reviewed	17 th March 2026
	Has a Responsible finance officer been appointed with specific duties?	Yes. 16.9.2025 item 15.
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes
	Has VAT on payments been identified, recorded and reclaimed?	No. 2024 – 25 and 2025-26 remain outstanding.
	Is s137 expenditure separately recorded and within statutory limits?	Column within cashbook – no payments made.
	Have S137 payments been approved and included in the minutes as such?	No payments in 2025-26
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?	Financial R/A 20.1.26
	Is insurance cover appropriate and adequate?	Cover is in place – Council should ensure all assets are covered in the schedule.
	Are internal financial controls documented and regularly reviewed?	2026 document on website.

Internal control	Test	Observations
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	25/26 – 21.1.2025 item 6.4 26/27 – not minuted.
	Has the precept been calculated from the budget and been approved?	25/26 – recorded as £10,155.00 Request sent £10,155.00 26/27 – not recorded.
	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 and promptly banked?	N/A
	Does the precept recorded agree to the Council Tax authority's notification?	Yes
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. 5 hours per week.
	Do salaries paid agree with those approved by the council?	Yes.
	Are salaries above the National Living Wage/Minimum Wage?	See note.
	Are other payments to employees reasonable and approved by the council?	Yes.

	Has the Council complied with Pension Re-enrolment duties?	Yes. 22.12. 25.
	Have PAYE/NIC been properly operated by the council as an employer?	Yes.

Internal control	Test	Observations
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?	Asset register reviewed 20 th January 2026
	Do asset insurance valuations agree with those in the asset register?	Council to review on insurance renewal
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes
	Are there any unexplained balancing entries in any reconciliation?	No
	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, R&P
	Do accounts agree with the cash book?	AGAR – £11686 Statements - £11686.33
	Has a year-end bank reconciliation been undertaken?	Reconciliation - £ £11,686.00 as at 31.3.26
	Is there an audit trail from underlying financial records to the accounts?	Yes
	Where appropriate, have debtors and creditors been properly recorded?	N/A
Procedural	Is eligibility for the General Power of Competence properly evidenced?	N/A
	Have points raised on the last Internal Audit report been considered by council and actioned?	None raised.

Transparency: For smaller councils with turnover under £25,000	Minutes for whole year on website?	Yes. Draft copies remain and should be updated.
	Agendas for whole year on website?	Yes. Supporting documents should be available.
	Payments over £100 detailed on website?	Within Minutes

Internal control	Test	Observations
	Electors' rights advertised on website?	Yes. 3 rd June 2025 to 14 th July 2025.
	Councillors' responsibilities detailed on website?	N/A
	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)	Village Hall should be on the Council asset register with nil value as the Council is managing trustee.
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
	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
Councils with charities only	Have Charities reported and accounted separately?	Yes
	Has the Council been named as Sole Trustee on the Charity Commission Register?	Yes
	Are the Charity meetings and accounts recorded separately from those of the Council?	Yes

ICO	Is data processed appropriately / Is Council registered with the Information Commissioners Office?	Not registered. This is a legal requirement.
General Data Protection Regulations	Has the Council adopted a Data Protection Policy?	GDPR Policy and Privacy Notice on website adopted 2018 – needs updating.

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	Has the Council put in place Privacy Notices?	GDPR Policy and Privacy Notice on website adopted 2018 – needs updating.
Assertion 10 – Digital and Data compliance	Email address - Does authority must have a generic email account hosted on an authority owned domain,	No. hilboroughparishclerk@gmail.com
	Website – Does website meet legal accessibility guidelines	Yes
	Has IT policy been adopted?	No
NOTES:	Standing Orders	Council should ensure that Standing Order 18 reflects the changes to the procurements thresholds under the Public Contracts Regulations 2015. These provisions are contained within the Model I Standing Orders (produced by NALC in 2022) and Model Financial Regulations (produced by NALC IN 2024). This should be increased from £25,000 to £30,000 on 18.a.v.

Thank you to Tiffany for supplying everything so promptly.

I note that the contracted hours are only 5 per week. It is clear that the Clerk has put in considerable work on behalf of Council and by the quality of work produced appears to be working in excess of the paid hours – and I see no overtime payments. Council must ensure that the Clerk does not fall under minimum wage by undertaking additional unpaid hours. As the employer responsibility rests with Council to ensure that worked out are within contract.

It is a legal requirement that Council is registered with the ICO.

The Standing orders must be changed to an up to date version.

The VAT needs to be claimed more regularly. Claims should be brought up to date to assist the Council cash flow.

I have marked no on the form for:

Box D The precept was not minuted as agreed for 2026-27 and the amount of precept was not recorded.

Box O The Council must have a Council owned email address, an IT policy, undertake a Data Audit and comply with the other requirements of Assertion 10.

Sarah Hunt
Internal auditor

NOTES TO SUPPORT THE 'NO' COMMENTS ON THE HILBOROUGH INTERNAL
AUDIT 2025-26

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Sarah Hunt