

BILLINGE CHAPEL END

PARISH COUNCIL

INTERNAL AUDIT 2025-2026

YEAR-END REPORT

3RD JUNE 2026

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Internal Audit Forum
THE VOICE FOR LOCAL COUNCIL AUDIT

The internal audit of Cuddington Parish Council has been carried out by undertaking the following tests as specified in the SAPP Practitioners' Guide 2025.

- Checking that books of account have been properly kept throughout the year
 - Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
 - Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
 - Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
 - Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
 - Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
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**Billinge Chapel End Parish Council
Internal Audit Report 2025-2026**

Internal Control Objective	Testing	Recommendation	Outcome (2026-2027 testing) by IA
<p>A. Appropriate accounting records have been properly kept throughout the year.</p>	<p>A1. The accounting system in use is Excel and enables the production of the Annual Accounting Statement and regular bank reconciliations. A2. The council's accounting records are accurate, up to date and well maintained.</p>	<p>1. It is understood that it will become mandatory, over the next 2 years, for local councils to use sector-specific accounting software and it is therefore recommended that the Council consider this.</p>	
<p>B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.</p>	<p>B1. The Council has in place a set of Financial Regulations and Standing Orders and these have been subject to regular review. B2. Standing Orders and Financial Regulations specify the same tender thresholds. B5. The Council has approved the payments in accordance with the requirements of its Financial Regulations. B6. The Council has in place effective controls on the making of payments.</p>	<p>2. Recommended the date of approval and minute references of both the Finance Regs and Standing Orders is added to the policy document and published on the website. 3. A suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation and applied to all invoices.</p>	

<p>C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</p>	<p>C1. The council has carried out a review of risk during the financial year. C2. The council has got in place a Risk Register, and Risk Policy, which sets out the risks that the council faces and how it intends to address these and that this has been subject to formal review. C3. The Council holds fidelity insurance set out at £250,000 which is appropriate.</p>	<p>4. The Council should consider adding cyber security to the insurance schedule.</p>	
<p>D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</p>	<p>D1. The Council prepared and formally approved a budget for the year prior to the setting of the precept. D2. The Full Council has considered, approved and adopted the annual precept, for the year subject to internal audit, prior to the statutory deadline of 1st March. D4. The Council has reviewed budgetary reports however there is no evidence that significant variances have been subject to detailed query/review. D5. The precept received during the year agrees to the precept raised by the council. D6. The precept received during the year agrees to central government records.</p>		
<p>E. Expected income was fully received based on correct prices, properly recorded and banked; VAT appropriately accounted for.</p>	<p>E1. VAT was appropriately accounted for.</p>		
<p>F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for</p>	<p>N/A</p>		

<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>G1. A formal employment contract is in place for staff. G2. Staff salaries, gross pay due is correctly calculated in accordance with contract terms and conditions. G4. The council has submitted RTI returns to HMRC and made payments due as required.</p>		
<p>H. Asset and investment registers were complete and accurate and properly maintained.</p>	<p>H1. The asset register is up to date and properly maintained. H2. The Council has not got in place a process for the regular physical verification of its assets.</p>	<p>5. The Council should formally approve a process for regular physical verification of its assets and align the insurance schedule to the assets register. Additions and disposals records should allow tracking from the prior year to the current.</p>	
<p>I. Periodic bank account reconciliations were properly carried out during the year.</p>	<p>I1. Bank reconciliations are prepared regularly, for all Council bank accounts.</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>N/A</p>		
<p>L. The authority publishes information on a free to access website / web page, up to date at</p>	<p>L1. The Council has not published, for the prior financial year, all the information as required by the Transparency Code 2015:</p>	<p>6. The Council is advised to include the location of public</p>	

the time of the internal audit in accordance with any relevant transparency code requirements	(a) Location of public land and building assets L2. A Publication Scheme is available on the website.	land and building assets within the asset register.	
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.	M1. The Council complied with the regulations.	7. It is recommended that the Council formally approve the dates for the Period for the Exercise of Public Rights	
N. The authority complied with the publication requirements for the prior year AGAR.	N1. The Council published the Annual Governance Statement on its website together with the Accounting Statements on the website within the proposed timescale N2. The Council published the External Auditor report on its website together with Notice of Conclusion of Audit on its website.		
O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.	O1. There is a published IT policy available on the website in accordance with Assertion 10. O2. The council has published an accessibility statement. O3. The Council has partially complied ⁱ	8. Recommended adoption of the policy available through NALC.	
P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee	P1. The Council is not a trustee.		

ⁱ Based on a review of the publicly available accessibility information, Billinge Chapel End Parish Council has published an accessibility statement which states that the website has been tested against WCAG 2.2 AA and is partially compliant with the standard. The statement includes the required elements under the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018, including compliance status, known accessibility limitations, contact details and an enforcement procedure.

NOTES:

1. Minutes are published in Word format with a Draft watermark and these do not meet the requirements for website accessibility. A screen reader is unable to read the documents and it is recommended that they are published in PDF format.
2. At the meeting of the Parish Council held on 19th May 2025 the first agenda item should have been to elect the Chair followed by election of the Vice Chair. The appointments are also described as Officers when they are Councillors and the meeting minutes are reported to be Minutes of the Annual Parish Meeting when they are the minutes of the Annual Parish Council Meeting.
3. It is recommended that any new policies or procedures approved over the year should contain the minute reference from the meeting where they are approved.
4. The AGAR form provided (Annual Governance Report) 2025-2026 has been completed before the Internal Audit Review has been completed or the report received.
5. Whilst a statement of variances has been provided it is recommended that there is more detail within the statement as follows:
External audit requires a detailed explanation of variances because auditors must obtain assurance that the council's finances are:
 - properly accounted for,
 - supported by evidence,
 - lawful,
 - and consistent from year to year.For parish and town councils, the "Explanation of Variances" is a key part of the AGAR review because it helps the auditor understand why figures have changed materially between one financial year and the next.
Typical triggers are:
 - increases or decreases greater than 15%, and
 - differences over £200 (for smaller councils the thresholds can vary slightly depending on AGAR guidance).The auditor is looking for evidence that:
 - the council understands its own finances,
 - there is a legitimate reason for the change,
 - the movement is supported by council decisions and records, and there is no indication of error, omission, or improper expenditure.
 - election costs,