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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 Bletchingdon Parish Council

From Jane Olds – Internal Auditor

I reviewed the documents provided and met with the Clerk, Fiona Mason, on 5 March via Teams and finalised the information on 5 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 maintained with audit trails.	While accounting records have been kept throughout the year, the transactions could be minuted more effectively.
B	Council's Financial Regulations have been	The Council's Financial Regulations have been met in that appropriate	Ensure that all agreements for orders are minuted at Full Council prior to the order

Annual Return Section	Process	Findings	Recommendations and actions
	met with regard to expenditure	authorisations have been given for each level of expenditure. Payments were supported by invoices, and expenditure was approved and VAT appropriately accounted for.	being placed and the payment being made.
C	Review of Internal Controls	The Council has Internal Control provision.	A policy and a check-sheet should be devised and a Councillor Responsible for Internal Financial Control appointed.
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 in March 2025.	The Risk Management Assessment has been provided. The Council should review and update it annually using the *Practitioners' Guide* recommendations (2024 version - starting at 5.89) and publish it on the website. Consideration should be given to all potential financial risks. Attention may need to be given to the recommendation at 5.97 relating to the assessment matrix. Ensure that the Risk Assessment is published.
D	Budgetary Controls (Precept requirement)	The annual Precept requirement resulted from an adequate budgetary process.	The budget amount (both expected expenditure and expected income) and the Precept amount should be agreed and minuted in order that the final outturn can be confirmed.
D	Budgetary Controls (Budget monitoring)	Progress against the budget was monitored and minuted regularly.	A quarterly budget monitoring report could be published as part of the finance report.
D	Reserves were appropriate	Reserves were accounted for.	A Reserves policy would be advisable.
D	The final outturn is in line with expectations	The final outturn was materially in line with expectations.	No further recommendations.

Annual Return Section	Process	Findings	Recommendations and actions
E	Income controls	Expected income was fully received and properly recorded.	No further recommendations.
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.	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?	Deets and Titles are not currently listed on the Asset Register.	Ensure that any appropriate Deeds and Titles are established and are shown on the Register.
H	Investment Registers	No investment register was required.	No further recommendations.
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 further recommendations.
M	Exercise of Public Rights	The Parish Council published the exercise of public rights notice on the website and noticeboard with the following dates: 3 June to 12 July 2024.	Ensure that the notice is for 30 working days including the first ten working days of July.

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 does not operate as a trustee.	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	Payments are recorded in the minutes although there is no separate list.	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	An excel document is available for download.	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	Not available.	Publish the Asset List including the Land Registry numbers (if applicable).
Compliance with the Transparency Code	9) Minutes & Agenda	Minutes available on the website.	Keep the agenda available.

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.

Training

The Clerk and the Councillors should be encouraged to take up the training offered by OALC and SLCC to increase their knowledge and expand the Clerk's professional development. The Clerk may like to consider ILCA and FILCA or CiLCA (Certificate in Local Council Administration) in the future.

Payments and Minuted Accounting Records

While accounting records have been kept throughout the year, the transactions could be minuted more effectively.

A finance report should be produced and published for each meeting and should include:

- the balance(s) of the bank account(s) in relation to the bank statement and bank reconciliation;
- any outstanding payments;
- any standing orders, direct debits or debit card purchases which have been paid during the month;
- any income received; and
- a full list of invoices due for payment (as required in the Financial Regulations).

The invoices for payment should include a Minute reference when the Council agreed to place the order / make the grant for transparency and ease of reference. This will also aid the Councillors who approve the payments and the Councillor Responsible for Internal Financial Control.

The Minute reference agreeing the actual order must include the details of the contractor / company, what the order is for and the amount (excluding VAT). This Minute reference should then be checked on receipt of the invoice.

The information included in the report can then be recorded in the Minutes.

Decision Making

All items for decision should have their own clearly written motion / agenda item in order that the Council – and any members of the public – are able to prepare adequately for the meeting; this will also help to focus the members on the items of business needing decision. I recommend splitting up the 'Parish Matters' section with separate sections for Finance, Governance, Parish Matters and Training. Those sections can then be broken down further, for instance in the Finance section, to receive the finance report, the bank statements, consideration of future expenditure and the payment schedule.

Minutes need to include resolutions and more factual detail about those resolutions. Further advice can be given.

Risk Assessment

As mentioned in Point C. above, the Council must assess the significant risks to achieving its objectives and this must cover the financial implications to the Council's business, whether that is the insurance provision, the creation of the budget and the precept request, or the potential loss of Councillors and the risk to the Council of the cost of an election – the *Practitioners' Guide* gives comprehensive advice.

Banking

The Council should review the bank mandate annually as part of its review of finances in April to ensure that the signatories are still available. The Council should also review the electronic payment processes. The Clerk, as administrator, should set up the electronic payments and then at least one, but preferably two, Councillors should fully check the details online before formally authorising them with the bank. This is to protect the Clerk as much as the Council and ensures that the Council takes responsibility for approving the payments.

Reserves

The Council has reserves for traffic calming, parish development and a neighbourhood plan, however further attention should be given to other areas of potential expenditure including setting sums aside for the cost of an election which CDC estimates would be in the region of £2,000, the cost of replacement IT equipment, replacement street furniture such as dog waste bins and rubbish bins, and a staff absence contingency. Much of this can be developed over time, but it is good to review and add to the reserves year on year. A policy (which should be published) setting out the requirements is advised.

Grants

I recommend that the Council has a grant policy and application form to make it clear to the public how the Council is able to make grants to organisations.

Website and Email Accounts

While the Council legally does not have to comply with the Transparency Code at present, it is best practice to do so. This includes publishing the agenda at least three clear days before the meeting together with any supplementary documents to be discussed at the meeting and publishing the draft minutes of meetings within one month of the meeting.

The Accounts and Audit Regulations 2015 13 (2) (b) requires that 'those documents remain available for public access for a period of not less than five years beginning with the date on which those documents were first published …' While this refers particularly to the AGAR, as the Minutes and agenda are an integral part of the decision making for the AGAR, I strongly recommend that both the AGAR and associated documents – including the Minutes and agenda – are published on the website for at least five years.

While the AGAR has to be scanned to comply with the Regulations, to aid accessibility, all other documents, particularly the Minutes, should be converted from the Word version to PDF.

As recommended in the 2025 *Practitioners' Guide* (point 1.47) which has been recently published, the Council must use a generic email account hosted on an authority owned domain. At the very least, the Clerk must use clerk@bletchingdon-pc.org.uk, but as part of GDPR, I strongly recommend that all Councillors should use the email addresses provided for them by the Council and these should be associated with the domain name. It is possible to still use the Gmail account, sending and receiving as the domain name.

However, it may be appropriate for the Council to fully consider the provision of a .gov.uk domain name. More information has been provided by the Parish Council Helper Domain Service at https://www.gov.uk/guidance/moving-your-parish-council-to-a-govuk-domain

The Council (as well as the Clerk) should be aware of its responsibilities regarding GDPR. I recommend that all Councillors regularly refresh their understanding using the GDPR awareness checklist which is available in the Advice section of the SLCC website.

IT Equipment

The Council should provide the Clerk with appropriate IT equipment. A budget for a replacement laptop should be introduced together with consideration for the provision of a mobile smartphone for the Clerk in order that her personal numbers are not publicly available, and all 2 factor authentication needs can be contained on Parish Council-owned equipment.

Local Council Administration (CAB)

It is recommended that all Councils hold a reasonably up-to-date version of Local Council Administration (the 'big yellow book'). The Council's copy is the 8th Edition. As the 13th Edition has been published and the 14th Edition is currently being edited, I recommend budgeting for a new copy. A discount can be obtained from the SLCC Bookshop or via NALC.

Archives

In our discussions I noted that many of the Parish Council Minute books are currently stored in the Parish. As these books are the only record of the meetings and should be kept in perpetuity, I strongly recommend that just the last five years or so are kept in the Parish, with the rest being deposited with the County Archive for safety. A review of other documents held should also be undertaken using a document retention and disposal policy (there is a model version available in the SLCC's Advice section).

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.

Bletchingdon Parish Council has an electorate in the region of 852 and the Precept for the year 24/25 was set at £25,000.

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.

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