

Report to Birchanger Parish Council

Internal Audit of the Accounts for the Year Ending 31st March 2026

The primary objective of Internal Audit is to independently review, appraise and provide assurance upon the control environment, making sure that controls are mitigating the Council from increased risk exposure, and to achieve this, the internal auditor will adopt a systems-based approach to audit.

The Accounts for the year ending 31st March 2026 can be summarized as follows:

Income for the year:	£28,158.37
Expenditure for the year:	£33,358.62
Precept figure:	£24,545.00
General Reserves:	£11,090.30
Earmarked Reserve:	£NIL

The following Internal Audit work was conducted on the adequacy of systems of internal control in accordance with the scope previously approved by the Council with particular emphasis upon the following:

- Review and assess the soundness, adequacy, effectiveness and reliability of financial and performance managementsystems
- Review and assess the efficiency and effectiveness of internal control arrangements and working practices and make recommendations to improve these where appropriate
- Review and assess the adequacy of procedures to ensure the Council's assets and interests are adequately protected and risks are identified and effectively managed
- Check for compliance with legislation and the Council's integrity and ethical standards, policies and procedures

Summary

The Internal Auditor offers her appreciation for the assistance given by the Clerk in the completing of this audit.

The internal audit review has provided evidence of the overall adequacy of the financial arrangements in place within the council. The examination of the period-end accounts and supporting documentation has further confirmed that the Clerk acting as Responsible Financial Officer has satisfactorily undertaken the administration of the Council's financial affairs and produced satisfactory financial management information to enable the Council to make well-informed decisions.

Recommendations made and/or commentary provided are to enhance the systems in place as opposed to detract from the positive assurance that can be given as to the manner in which the council's finances are being managed.

Internal Audit Review - subject & tests conducted	Comments/Recommendations
<p>1. Accounting Records. Examination of</p> <ul style="list-style-type: none">• Accounting system• Cashbook• Reconciliations of cashbook	<p>The council continues with its use of an AdminSoft finance preparatory system which has enabled the Responsible Financial Officer (RFO) to produce reports on a Receipts and Payments basis.</p> <p>The cashbook shows daily entries of receipts and expenditure and the matters to which they relate. Spot checks were made and were found to be correct.</p> <p>Cash books are able to be reconciled on a monthly basis, and all receipts and expenditure transactions are referenced with a description as to the expenditure and income being incurred to ensure the integrity of data being input and processed.</p>
<p>2. Preparation of Accounts: Payment Controls Examination of:</p> <ul style="list-style-type: none">• Cash book entry• Supporting paperwork• Minuted approval• Review of method of payment• VAT identified, reported and reclaimed• Review of estimates, quotes and tenders• General Power of Competence• PWLB payments in accordance with the schedule provided	<p>A selection of random payments was cross checked against cash book, bank statement and invoices and all were found to be recorded/ authorised in accordance with Proper Practices.</p> <p>The Clerk has implemented a system whereby Council follows good practice by ensuring that, upon receipt of invoices, verification that the relevant goods or services have been received is obtained and invoices checked to ensure that the arithmetic is correct, agreed discounts have been deducted and everything is acceptable regarding reclaiming the VAT.</p> <p>Council, in accordance with best practice, has ensured that it uses a two-tier security system for payment approvals. The system ensures that the instructions for each payment are signed by two authorised bank signatories following submission of invoices by the RFO.</p> <p><i>Comment: This not only protects the RFO but continues to fulfil an internal control</i></p>

objective to ensure the safeguarding of public money.

The VAT reclaim made by the Clerk/RFO to HMRC in the year of account covers two financial years as it covers the period 1st January to 31st December 2025. The reclaim in the sum of £3,005.87 was received by the council in January 2026 as reported to the council at the meeting of 5th February 2026. The outstanding VAT covering the period 1st January to 31st March 2026 in the sum of £399.62 was confirmed by the RFO.

For the period under review and from the sampling transactions viewed, the RFO has ensured that VAT has been appropriately identified in relation and correctly applied to the council's business and non-business activities.

Comment: the Clerk has implemented procedures to ensure that the council has complied with section 33 of the 1994 VAT Act which allows local authorities and other public bodies to recover VAT incurred on costs associated with: non-business activities, taxable business activities where the body is VAT registered (subject to the normal rules), and exempt business activities (where the input tax incurred in relation to exempt activities is considered to be insignificant).

There were no significant contracts placed during the year under review.

Council has not declared that it fulfils the eligibility criteria to use the general power of competence (at least two-thirds elected members and a qualified Clerk (CiLCA or higher)). The cashbook details payments (totalling £590.00) made under donations and, from a review of those paid, all are made in accordance with the provisions of s137 of the LGA Act 1972 with reference to the statutory limit for such expenditure. Expenditure for the year totalled £20.

Comment: the RFO continues to ensure that the Council is aware that the use of S137 of the LGA 1972 (as amended by the Local Government and Housing Act 1989 s36) in granting donations is a capped expenditure and gives the Council the power to incur expenditure which in their opinion is in the interests of and will bring direct benefit to their area or any part of it or all or some of its inhabitants. The benefit obtained must be commensurate with the expenditure incurred and the annual expenditure must not exceed the total electorate multiplied by the annual statutory limit per elector.

The Council has no Public Works Loan and as such incurred no interest payments for the period under review.

<p>3. Compliance with laws, regulations and proper practices. Examination of:</p> <ul style="list-style-type: none"> • Standing Orders and Financial Regulations • Compliance • Annual Review • Adherence • Appointment of Responsible Financial Officer 	<p>Council’s Standing Orders as seen on the website show a review and adoption date of 6th May 2025. Council noted that the Model Standing Order (England) as produced by NALC in 2025 contained changes to section 14 to better reflect Code of Conduct requirements and that the language in the document was now gender-neutral terms to align with their policy and the Civility and Respect Project. The amendments to section 18 to comply with new procurement legislation and ensure consistency with the revised Model Financial Regulations have also been incorporated. <i>Comment: Council’s adopted Standing Orders reflect the amendments outlined above.</i></p> <p>Financial Regulations (FR), also as seen on the website, were also reviewed at the meeting of 6th May 2025 and are based on the latest version as produced by NALC.</p> <p>Council has ensured that the regulations are fully tailored to the parish council by completing the areas within the curly brackets which indicate words, sentences or sections that can be removed if not applicable or amended to fit the council’s circumstances.</p> <p>The Council, in accordance with proper practices and with reference to section 151 of the Local Government Act 1972, has employed a Responsible Financial Officer (RFO) who is responsible for the financial administration of the authority. Council’s own Financial Regulation 1.5 confirms that the Clerk has been appointed as the RFO for this council and that the regulations will apply accordingly.</p>
<p>4. Risk Management. Evidence of financial risk management</p> <ul style="list-style-type: none"> • Review of risks associated with <ul style="list-style-type: none"> ➤ Financial Management ➤ Governance ➤ Building/ Assets • Annual Review and Minuted • Insurance in place <ul style="list-style-type: none"> ➤ Adequate ➤ Reviewed • Fidelity Guarantee Cover Insurance <ul style="list-style-type: none"> ➤ Adequate ➤ Reviewed • Internal Controls documented and regularly reviewed 	<p>The Council’s Risk Management Plan was adopted by the Council at the meeting of 2nd July 2024 with a review date of Spring 2026 and covers the years 1st April 2024 to 31st March 2026. The register provides details of the risks associated with the functioning of a smaller authority and the measures that the Council will undertake to mitigate such risks. The minutes of 5th May 2026 confirm that the plan was reviewed with no further amendments required.</p> <p>Council is aware that risk assessment needs to focus on the safety of the parish council’s assets, and particularly its money. There is evidence that overall, the parish council has taken action to identify and assess those risks and has considered what actions or decisions it needs to take during the year to manage in order to avoid financial or reputational consequences. There are regular reports on repairs, maintenance and replacement of play equipment as well as matters relating to council’s assets and managed spaces. <i>Comment: Council continues to ensure that it acts within the sphere of the controls as</i></p>

	<p><i>adopted and has demonstrated that in accordance with Proper Practices and with reference to the Accounts and Audit Regulations 2015, it has in place safe and efficient arrangements to safeguard public money and that a regular review of the safety of the parish council's assets and in particular its money, is part of the methodical manner in which Council addresses the risks associated with the activities and services it provides.</i></p> <p>A scan of the minutes did not give rise to any unusual financial activity and there were no actions of a potentially unlawful nature being considered.</p> <p>Insurance is in place with Hiscox with core cover showing the following: Public Liability £10,000,000; Employer's Liability £10,000,000 and Fidelity Guarantee Cover is £150,000 which meets the current recommended guidelines which provide that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants.</p> <p><i>Comment: in accordance with Proper Practices, Council has identified its key risks and taken steps to manage them in a way which it can justify to a level which is tolerable by transferring the risk and buying in services from specialist external bodies and taking out insurance. Overall Council has understood the requirement to have in place safe and efficient arrangements to safeguard public money.</i></p> <p>There has been no separate review of the internal controls other than the annual review and approval of the Annual Governance Statements for the year 2025-2026 which took place on 5th May 2026. The Risk Management Plan as adopted in July 2024 covers the specific control procedures for payments by bank transfer and demonstrates that Council has an adequate process to protect the Council against payment of invoices which may show fraudulent bank account details.</p> <p><i>Comment: for clarity and to ensure that Council is in conformity with the requirements of Regulation 6 of the Accounts and Audit Regulations 2015, Council is advised to formally reviewed the effectiveness of its system of internal control and record that it has in place measures that will enable it to identify, assess and record the control mechanisms in place to ensure that all reasonable steps are taken to safeguard and protect public finances.</i></p>
<p>5. Budgetary controls. Examination of:</p> <ul style="list-style-type: none"> • Verification of process of setting of budget • Monitoring of budget • Reserves 	<p>Council set the annual budget to inform the legal limit of spending preauthorised by the council under the Local Government Act 1972 for the year 2025 - 2026 at its meeting of 3rd December 2024. From paperwork seen, the budget set was in the sum of £24,545 to be funded by the precept.</p> <p>The budget for the year 2026-2027 was submitted to and approved at the Council meeting of 2nd December 2025. From papers seen the budget set was £31,145 to be funded from the precept.</p>

	<p><i>Comment: to ensure transparency in the budgetary process followed by the council, it might wish to evidence; by recording within the minutes, the actual budget being set alongside the reasoning for such a budget as well as the impact the precept being set would have on a Band D dwelling.</i></p> <p>There are regular reviews of the current year’s budget with reports submitted at each meeting. Council is aware that the monitoring of the budget throughout the year is one of the recommended key stages * as to the process to be followed during the year.</p> <p>* key stages as to the budgetary process to be followed for the year:</p> <ul style="list-style-type: none"> • decide the form and level of detail of the budget; • review the current year budget and spending; • determine the cost of spending plans; • assess levels of income; • bring together spending and income plans; • provide for contingencies and consider the need for reserves; • approve the budget; • confirm the precept or rates and special levies; and • review progress against the budget regularly throughout the year. <p>The Council on 31st March 2026 had overall reserves totalling £11,090.30 which, as in previous years, have been allocated as General Reserves with none being allocated as Earmarked Reserves or Restricted funds.</p> <p><i>Comment: Council is aware of the guidance as issued by Proper Practices which states that it is regarded as acceptable for a council’s general (non-earmarked revenue) reserves to be maintained at between three and twelve months of Net Revenue Expenditure and that it should ensure that the level of general reserves adopted is in accordance with its General Reserve Policy.</i></p> <p>The current level of General Reserves (£11,090.30) amounts to the equivalent of 35% or 4.5 months of the 2026 -27 Precept.</p> <p><i>Comment: the RFO might wish to seek to regularise this position over the coming years and provide the council with appropriate forecast mechanisms to achieve a balance that is able to maintain sufficient overall reserves and contingency sums to meet, within reason, any unforeseen items of expense that may occur.</i></p>
<p>6. Income controls. Examination of:</p> <ul style="list-style-type: none"> • Precept • Other income 	<p>The precept for the year 2025 - 2026 was set at the meeting of 3rd December 2024 with the minutes indicating that this would be set at £24,545. The cashbook confirms that the sum of £24,545 from Uttlesford District Council was received into the council’s nominated bank account in April and September as reported to the council at the</p>

	<p>meetings of 6th May and 7th October 2025. <i>Comment: Evidence has provided showing a full audit trail from Precept being discussed and approved to that being served on the Charging Authority to remittance advice showing the Precept to be paid and receipt of same in the council's Bank Account</i></p> <p>The precept for the year 2026 – 2027 was confirmed at the meeting of 2nd December 2025 as being approved at £31,145. Recommendation: Council should consider following best practice by expanding the minutes to demonstrate the impact that the precept would have on a Band D Council Tax dwelling over that set for the previous year and the reasoning behind the increase/decrease.</p> <p>Spot checks on further items paid into the Council's accounts were cross checked against cashbook and bank statements. All were found to be in order within the cashbook with the Clerk providing an underlying audit trail. The council's minutes show receipt of and approval of a list of receipts occurred during a specified period, which are included within the published minutes of the council's meetings.</p> <p>At the meeting of 2nd December 2025, full Council carried out a review in its consideration of its fees for the annual rent of the council managed allotments. Effective 1st January 2026, an increase to the annual rent per allotment and deposit would come into effect as approved at the meeting. <i>Comment: the Clerk has ensured that council is aware that where it has self-generated income (other than the precept) it should consider situations that may lead to a loss of revenue as well as increased costs and ensure that appropriate measures are put in place to account for significant impacts to this revenue stream. Council is mindful of its own Financial Regulation 13.2 which requires all fees and charges to be reviewed on an annual basis.</i></p>
<p>7. Petty cash/expenses procedure.</p>	<p>Council does not operate a petty cash system.</p>
<p>8. Payroll controls. Examination of:</p> <ul style="list-style-type: none"> • Management of payroll • PAYE/NIC system in place • Compliance with HMRC procedures • Records relating to contracts of employment 	<p>The council's payroll service was reviewed and has been operated properly and overseen by the council as an employer. The payroll function has been outsourced. At year-end Council had one employee on its payroll.</p> <p>Cross-checks were completed on a selection of items each of salary and PAYE and these were all found to be in order. Deductions are paid to HM Revenue and Customs on or before the dates prescribed and Council has ensured that there are appropriate</p>

	<p>procedures in place for the payment of salaries to all employees. <i>Comment: it is noted that the Clerk is bearing the council's responsibilities as an employer and paying the sums due to HM Revenue and Customs with claims for reimbursement submitted at each meeting.</i></p> <p>Recommendation: employers are responsible for paying their PAYE liabilities and Council should seek to review payment methods such as direct debit to ensure that an employee does not shoulder the burden.</p> <p>Salaries are paid in accordance with contracted hours. Variations to contracts and pay scales are reviewed by full Council for adoption.</p> <p>In accordance with Proper Practices, PAYE taxes and employee and employer National Insurance contributions (NIC), and Pension Contributions are calculated and recorded for every employee. Deductions are paid to HM Revenue and Customs on or before the dates prescribed. <i>Comment: There are robust payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the Council has complied with its duties under employment legislation and has met its pension obligations.</i></p> <p>Full Council approved the implementation of the NJC Pay Award and ensuring pay scales for 2025-2026 backdating all paid hours worked to 1st April 2025 at the meeting of 2nd September 2025 which was implemented in the September payroll. <i>Comment: in accordance with Proper Practices, Council has ensured that the remuneration payable to all employees has been approved in advance by the Council.</i></p> <p>The re-declaration of compliance under the Pensions Act 2008 is confirmed to have been submitted to The Pensions Regulator on 22nd December 2025. <i>Comment: Council is aware that every three years an employer it must put certain staff back into a pension scheme. This is known as 're-enrolment.' This is an employer's legal duty and councils must let the Pension Regulator know when they have completed the task by completing and submitting a re-declaration of compliance.</i></p>
<p>9. Asset control. Examination of:</p> <ul style="list-style-type: none"> • Asset Register • Checks on existence of assets • Recording of fixed asset valuations 	<p>The Asset Register is held on a spreadsheet and covers those items listed under insurance and within the parish council's remit for maintenance and ownership.</p> <p>The Asset Register, as submitted for internal audit review shows assets to the total of £177,267. It has been confirmed that the asset register was overhauled during the year</p>

<ul style="list-style-type: none"> • Cross checking on insurance cover 	<p>under review with the values reflecting the accuracy of the register. The register details assets held by the council which have been defined as Fixed Assets and the approved itemised list will form the basis of Box 9 of the Annual Governance and Accountability Guide. The Asset Register was reviewed during the internal audit review, and it is noted that council has insurance cover for its assets to a fixed value for those assets based within its territorial confines.</p> <p>The assets within the register have recorded values that are either the original purchase cost (where known), an estimated cost or an insurance value. All risks cover is in place as noted on the insurance schedule reviewed during the internal audit review. There are a few assets against which there is no recorded value, and it is suggested that a future review might wish to allocate a nominal sum against each asset to record their ownership and liability for future readers.</p> <p>Council is aware of the requirement for smaller authorities to record each asset at its original purchase cost or where the original purchase cost is unknown at the time of first recording on the asset register, a current value should be recorded, which will act as a proxy value to the original cost and will remain unchanged until disposal. The method of asset valuation should be applied consistently from year to year. If council materially enhances an asset, then the recorded asset value may vary.</p> <p><i>Comment: Council might wish to note this requirement and ensure that the valuation process adopted is set out and recorded in its asset register.</i></p> <p>Whilst council is still to formally approved the Annual Governance and Accountability Return it is noted that the asset value of £177,267 (as seen on the register) is not that which is reflect on the DRAFT AGAR (£217,665)</p> <p>Recommendation: prior to approval and submission to the external auditor, council is advised to revisit the values as shown on the Accounting Statements at Box 9. Equally, if council has restated or revalued assets during the year, it will need to restate those for the year 2024-2025 to ensure that there is comparison between the figures being reported. An explanation will need to be provided to the external auditor for the variance that has occurred between the two years.</p>
<p>10. Bank reconciliations Examination of:</p> <ul style="list-style-type: none"> • Bank reconciliations • Cashbook • Bank statements 	<p>Bank reconciliations are completed on a regular basis and reconcile with the cash sheets. The Clerk has implemented a system whereby Council has taken steps to ensure that it can evidence that it is working in accordance with guidance issued within Proper Practices which state that bank reconciliations should be prepared routinely, subject to independent scrutiny and signed by members with a regular minute to record the activity undertaken. Approval of the bank reconciliation by the authority or the chair of the committee or another authority nominee is not only good practice but is also a</p>

	<p>safeguard for the Responsible Financial Officer and will fulfil one of the authority's internal control objectives</p> <p><i>Comment: Council is aware that, in accordance with Proper Practices, the bank reconciliation is a key tool for management as it assists with the regular monitoring of cash flows which aids decision-making, particularly when there are competing priorities. In accordance with Proper Practices, council has implemented a system whereby the monthly reconciled bank accounts are presented to Full Council.</i></p> <p>Bank balances agree with the year-end balances and stand at £11,930.30 in the account held in the council's name as verified from the statement and the cashbook. The bank statement on 31st March 2026 for the Unity Trust Bank Current Account of £14,478.84 reconciles with the End-of-Year Accounts (£11,930.30) after considering the Uncleared Payments of £2,548.54 on 31st March 2026.</p> <p>In accordance with the internal controls to be adopted for the year ending 31st March 2026, council has sought to regularly review the bank mandate for all council bank accounts. The review was last undertaken and reported to full Council at its meeting of 5th May 2026 at which the balances were confirmed as correct and reported as such on the Accounting Statements for the year ending 31st March 2026.</p>
<p>11. Year-end procedures.</p> <p>Examination of:</p> <ul style="list-style-type: none"> • Appropriate accounting procedures used • Bank Statements and Cash Book agree • Has the appropriate end of year AGAR documents been completed? • Where an authority certified itself exempt in 2025 did it met the exemption criteria and correctly declared itself exempt? 	<p>Accounts are produced on a receipts and payments basis, and all found to be in order.</p> <p>The end of year accounts was presented for the internal auditor review and there is a clear financial trail from records to presented accounts.</p> <p>Year-end balances agree with cash book and bank reconciliations. Income received for the year totalled £28,158.37 with expenditure totalling £36,336.69 leaving a carried forward balance of £11,090.30.</p> <p>As Council is a smaller authority with gross income and expenditure exceeding £25,000 it may not claim exemption from a limited assurance review and will be required to complete the Annual Governance And Accountability Return Form 3. From paperwork seen and as evidenced in the minutes of 5th May 2026, Council approved and signed the Annual Governance Statement and Accounting Statements for the year ending 31st March 2026.</p> <p>Recommendation: prior to submission to the external auditor, council is advised to revisit the Annual Governance Statement and review its response to Assertion 4 – Public Rights – see below.</p> <p>The Internal Auditor has fully completed the Annual Internal Audit Report of the AGAR. The Annual Governance and Accountability Return (AGAR) presented to full Council for approval was examined and the following figures agree with those submitted by the RFO</p>

	<p>for inclusion in Section 2 Accounting Statements 2025-2026 (rounded for purposes of the Return):</p> <table border="1" data-bbox="884 224 1927 597"> <tr> <td>Balances brought forward (01.04.25)</td> <td>Box 1</td> <td>20,108</td> </tr> <tr> <td>Annual Precept 5</td> <td>Box 2</td> <td>24,545</td> </tr> <tr> <td>Total Other Receipts</td> <td>Box 3</td> <td>3,613</td> </tr> <tr> <td>Staff Costs</td> <td>Box 4</td> <td>8,581</td> </tr> <tr> <td>Loan Interest / Capital Repayments</td> <td>Box 5</td> <td>0</td> </tr> <tr> <td>Total Other Payments</td> <td>Box 6</td> <td>27,755</td> </tr> <tr> <td>Balances Carried Forward</td> <td>Box 7</td> <td>11,930</td> </tr> <tr> <td>Total Cash and Investments</td> <td>Box 8</td> <td>11,930</td> </tr> <tr> <td>Total Fixed Assets</td> <td>Box 9</td> <td>See assets above 217,665</td> </tr> <tr> <td>Total Borrowings</td> <td>Box 10</td> <td>0</td> </tr> </table>	Balances brought forward (01.04.25)	Box 1	20,108	Annual Precept 5	Box 2	24,545	Total Other Receipts	Box 3	3,613	Staff Costs	Box 4	8,581	Loan Interest / Capital Repayments	Box 5	0	Total Other Payments	Box 6	27,755	Balances Carried Forward	Box 7	11,930	Total Cash and Investments	Box 8	11,930	Total Fixed Assets	Box 9	See assets above 217,665	Total Borrowings	Box 10	0
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<p>12. Exemption from a Limited Assurance Review for the year ending 31st March 2025</p>	<p>For the year ending 31st March 2025, council could not claim exemption from a limited assurance review as it did not meet the following criteria:</p> <ul style="list-style-type: none"> • Its gross income and gross expenditure are both below £25k; and • no public interest report/statutory recommendation/advisory notice/judicial review/application to court re unlawful item of account has been issued by its external auditor in the prior year; and • the reporting year is not one of the authority's first three years of existence. 																														
<p>13. Compliance with the Local Government Transparency Code 2015 Examination of:</p> <ul style="list-style-type: none"> • Information uploaded to the council's website 	<p>Council is advised that the Practitioners' Guide states that for councils with income or expenditure greater than £25,000 it should seek to comply with the Local Government Transparency Code 2015 for smaller authorities. As such it should seek to make certain data held and managed by the council available to the public unless there are specific sensitivities to doing so.</p> <p><i>Comment: council is advised to consider maintaining and monitoring the council's website so that it is updated regularly with pertinent information and complies with the publication requirements of the Local Transparency Code 2015.</i></p>																														
<p>14. Period for the Exercise of Public Rights set in accordance with the Audit & Accounts Regulations of 2015 in relation to the year 2024-2025 Examination of:</p> <ul style="list-style-type: none"> • Dates set for 2024-25 	<p>Whilst the internal auditor is able to confirm, from the notice on the website, that the period for the public rights exercise covered the period 14th July to 22nd August 2025 July with the notice being dated 14th July 202, this period is outside of the common period which must include the first 10 working days of July.</p> <p><i>Comment: within the Annual Internal Audit Report, internal control objective test M requires the internal auditor to establish whether the parish council correctly provided for the exercise and published a copy of the required "Public Notice" by ensuring that it clearly identified the statutory 30 working day period when the Authority's records are available for public inspection. This is evidenced by the notice on the website which contains the period for the exercise of public right; details of the manner in which the</i></p>																														

	<p><i>documents can be inspected; the name and address of the external auditor and the provisions as contained under section 25 and section 27 of the Act.</i></p> <p>Recommendation: Council is advised to reconsider its response to Assertion 4 of the Annual Governance Statement given the late commencement of the period of the exercise of public rights for the year ending 31st March 2025 and provide a note to the accounts to explain the reason for the late start of 14th July.</p>
<p>15. Have the publication requirements been met in accordance with the Audit & Accounts Regulations of 2015.</p> <p>Examination of:</p> <ul style="list-style-type: none"> • Publication requirements for the year 2024-2025 	<p>The Council has partially complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure exceeding £25,000, as it has published the following for the year 2024 - 2025 on a publicly accessible website: those in bold are missing from the website</p> <ul style="list-style-type: none"> • Section 1 – Annual Governance Statement of the AGAR - unaudited • Section 2 – Annual Accounting Statements of the AGAR – unaudited • Notice of the period for the exercise of public rights • Notice of Conclusion of audit • Section 3 – External Auditor Report and Certificate (Interim only) – the final letter / certificate was not seen on the parish council’s website. • Sections 1 and 2 of the AGAR including any amendments as a result of the limited assurance review <p><i>Comment: council should be aware that all documentation relating to the year ending 31st March 2026 (Section 1 – Annual Governance Statement of the AGAR – unaudited; Section 2 – Annual Accounting Statements of the AGAR – unaudited and Notice of the period for the exercise of public rights) is uploaded to the council’s website prior to the commencement of the period of public rights and prior to 1st July 2026 (whichever comes first).</i></p>
<p>16. Compliance with Assertion 10 of Section 1 of the Annual Governance Statement</p> <p>Examination of:</p> <ul style="list-style-type: none"> • Email management • IT Policy • Compliance with Web Content Accessibility Guidelines 2.2AA • Compliance with Data Protection Legislation • ICO registration • Compliance with publication requirements of the Freedom of Information Act • Compliance with Transparency Code Requirements 	<p>Assertion 10 has now been added to clarify data compliance (previously covered under Assertion 3). To warrant a positive response, the authority needs to have taken the following actions:</p> <ul style="list-style-type: none"> • Have a generic email account hosted on an authority owned domain • Meet the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018. • Must publish documentation as specified in the Freedom of Information Act 2000 and the Transparency code for smaller authorities (where applicable). • Must follow both the General Data Protection Regulation (GDPR) 2016 and the Data Protection Act (DPA) 2018. • Must process personal data with care and in line with the principles of data protection. • Must have an IT policy. <p>Council currently operates with the website https://www.birchanger-pc.gov.uk/. The</p>

site supports a secure and digitally managed email system for staff and councillors.
Comment: Council has followed guidance as outlined in the Practitioners' Guide 2025 (Governance and Accountability for smaller authorities in England), which states that every authority must have a generic email account hosted on an authority owned domain, for example clerk@abcparishcouncil.gov.uk or clerk@abcparishcouncil.org.uk.

Council has adopted an IT policy covering the use of IT equipment for authority business for both Staff and Councillors. Council has understood that such a policy should provide clarity on the use of IT equipment for authority business which explains how all involved with the authority should conduct authority business in a secure and legal way when using IT equipment and software.

All smaller authorities (excluding parish meetings) must now meet legal requirements for all existing websites regardless of what domain is being used. As a minimum the Council must publish a website accessibility statement on the council operated website detailing the technical information of the website along with the methods used for evaluating the website; the steps being taken to improve accessibility and how the site is being improved. The Website Accessibility Statement applies to the BPC website www.birchanger-pc.gov.uk which has been assessed to 2.2AA standard. Although the statement is not dated, it suggests that the review was conducted in April 2026. The statement states the date of the next review will be Spring 2027.

Comment: it is suggested that the accessibility statement is reviewed for accuracy on a regular basis, and at least once per year or more frequent if data is being changed. If such a review has taken place, without a full evaluation of the website, whether or not such a review has led to any changes in the accessibility statement, the date of the last review should be indicated within the statement.

Council has taken active steps to ensure compliancy with the GDPR requirements and has produced a comprehensive suite of policies that provide clear responsibilities and obligations of Thaxted Parish Council in respect of the collecting, using and protecting of personal information in accordance with the provisions of the GDPR. Appropriate Data Protection policies and procedures are in place along with the lawful basis for the processing of data covered by the regulations as well as policies that deal with the effective management of its records thereby demonstrating that the Council has acted in compliance with its legal and regulatory obligations.

Comment; council might wish to ensure that, to warrant an affirmative response to Assertion 10, it should note the requirement to conduct regular data audits to identify

	<p><i>the personal information held by the council, the manner in which it is held and the lawful basis in which the information is being processed.</i></p> <p>As a Data Controller, all local authorities are required to register with the Information Commissioner’s Office (ICO) in accordance with Data Protection Legislation. Council is so registered. Certificate Z2103352 with an expiry date of 14 February 2027 refers.</p> <p>The Freedom of Information Act 2000 requires every public authority to have a publication scheme, approved by the ICO, and to publish information covered by this scheme. Council does not appear to have adopted such a scheme.</p> <p>Recommendation: council should seek to comply with the Act and publish a scheme which will set out the Council’s commitment to make certain classes of information routinely available, such as policies and procedures, minutes of meetings, annual reports and financial information and that it should be annually reviewed.</p>
<p>17. Internal Audit: Examination of:</p> <ul style="list-style-type: none"> • Reporting of Previous Internal Audit Reports • Review of internal audit • Review of effectiveness of internal audit • Appointment of internal auditor 	<p>The Internal Audit Report for the period ending 31st March 2025 was circulated to all councillors but there is no corresponding minute to confirm that Council reviewed and approved the reports and noted its recommendations.</p> <p>The internal audit report had raised the following recommendations which were as follows:</p> <ol style="list-style-type: none"> 1. The Council or the Website Host should publish a Website Accessibility Statement to assist compliance with the website accessibility regulations. 2. Reporting of Gross figures for VAT as opposed to a 'net' VAT figure to be applied to Purchases only. 3. For the year 23/24 The Council should ensure that all requirements (relating to the Transparency Code, the Accounts and Audit Regulations 2015 and Local Audit and Accountability Act 2014 and the AGAR Guidance Notes) are met regarding the publication of documents on an easily accessible website. 4. The review of the Asset Register should be concluded as soon as practicably possible and approved by the Council during 2025/26 to ensure that an overall valuation can be evidenced and reported upon on 31 March 2026 within the end of year AGAR 2025/26. <p><i>Comment: in accordance with guidance, once a report has been received, council should understand that an action plan should be produced setting out the areas of improvement or development as identified within the narrative internal audit report. Any proposed remedial actions should be identified within the plan along with the members or officers responsible for delivering improvement and the deadlines for the completion of the</i></p>

	<p><i>action.</i></p> <p>As the narrative internal audit report was not considered by the council, there is no evidence to confirm that the Council covered a review of the scope of the council’s internal audit arrangements and its findings.</p> <p>Recommendation: council should note the requirement under the Accounts and Audit Regulations 2015 to review the terms of reference and effectiveness of internal audit and demonstrate that it has understood that the role of internal audit is to evaluate and report on the adequacy of the system on internal control. Such a review should feed into the council’s responses to the Assertion Statements on the Annual Governance Statement of the AGAR.</p> <p>The appointment of the person to act as the parish council’s independent internal auditor for the year 2025-2026 was approved by email on 10th April 2026 and the engagement letter duly signed.</p> <p><i>Council has understood the requirement to ensure that there is an appointed person to provide assurance that the financial and management systems of the council are sound and adequate and internal control arrangements are efficient and effective.</i></p>
<p>18. External Audit Examination of:</p> <ul style="list-style-type: none"> • Reporting of External Audit Report 	<p>The minutes for the year under review do not confirm that the Final Certificate and Report from the External Auditor for the year ending 31st March 2025 were either received or accepted by full Council. The relevant documentation has not been uploaded to the council operated website. Only the interim certificate can be viewed on the website which stated that whilst the smaller authority had submitted the AGAR and supporting documentation prior to 30 September 2025, the external auditors had been unable to complete their review work in time to ensure that the council complied with the publication requirements. Hence an interim audit was provided with assurances that once they had completed their review a final report along with the certificate would be issued detailing any qualifications and “other” matters.</p> <p>The Internal Auditor is unable to find the following items relating to the prior year on the website and the consideration of the final certificate in the council’s minutes:</p> <ul style="list-style-type: none"> • Section 3 – External Auditor Report and Certificate • Sections 1 and 2 of the AGAR including any amendments as a result of the limited assurance review <p>It is noted that the minutes of the November 2025 meeting state that the external audit fee was noted as having been paid.</p>

	<p>Recommendation: to ensure compliancy with Regulation 20 of the Accounts and Audit Regulations, Council should formally receive and consider the final audit letter and certificate from the auditor and comply with any directions raised therein.</p> <p><i>Comment: council has however ensured compliancy with Regulation 16 of the Accounts and Audit Regulations 2015, by publishing a statement saying that the audit has been concluded and give details of the public's rights of inspection under section 25 of the 2014 Act (Local Audit and Accountability Act 2014) stating where and when those rights may be exercised.</i></p>
<p>19. Responsibilities as a Sole Trustee</p>	<p>Council has no declared responsibilities as a trustee.</p>
<p>20. Additional comments. Examination of:</p> <ul style="list-style-type: none"> • Annual Meeting • Election of Chair and signing of Declaration of Acceptance of Office • Register of Interests • Code of Conduct • Minutes • Openness of Local Government Bodies Regulations 2014 	<p>Council held its Annual Meeting of the Parish Council on 6th May 2025 at which the Chair for the coming year were elected as the first items on the agenda, in accordance with legislation. In accordance with section 83(4) of the 1972 Act, Council has ensured that the Chair, on being elected to office, has signed a declaration of acceptance of office in the presence of another councillor or the clerk.</p> <p><i>Comment: it is noted that the minutes form the Annual Meeting of the Parish Council were not approved until 5th May 2026. Council should be advised that this is a meeting of the Parish Council and as such the minutes should have been presented to and approved at the scheduled meeting in June 2025.</i></p> <p>Evidence was seen on the District Council's website for the register of Interests for six parish councillors. There is a direct from the Parish Council's website to that of the District Council for access to the Register of Interests.</p> <p><i>Comment: the Register of Interests for Councillor Edgeworth was missing from the District Council's website.</i></p> <p>At the meeting of 6th May 2025, Council readopted the LGA Model Councillor Code of Conduct 2020 as produced by the Local Government Association (LGA), for the purposes of discharging its duty to promote and maintaining high standards of conduct within its area.</p> <p>In accordance with the Local Government Act 1972 Schedule 12 para 41 (1), Council is aware that the loose-leaf minutes and associated documents of the parish council should be initialled and signed by the person chairing the meeting at the time of signature which ensures their lawful providence.</p> <p><i>Comment: Council has noted that LGA 1972 Schedule 12, paragraph 41 allows for the minutes of the proceedings of meetings of a local authority to be recorded on loose leaves</i></p>

	<p><i>provided that they are consecutively numbered. Council has implemented such a system.</i></p> <p>The Openness of Local Government Bodies Regulations 2014 were enacted on 5th August and came into force on 6th August 2014. These regulations allow for the filming and recording of Council meetings (and other specified public bodies) and provide for access to records (e.g. of decisions made by officers).</p> <p><i>Comment: Council has reviewed the provisions of the 2014 Regulations to ensure that, by publishing a range of information online, it is compliant with the provisions of the Act.</i></p>
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Victoria S Waples

Date of Internal Audit Review: 15.05.26-30.05.26

Date of Internal Audit Report: 30.05.2026

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