

## **Annual Internal Auditor's report 2025/26 Kimble Parish Council**

Internal Auditor: Deborah O'Brien CiLCA PIALC

Smaller authorities are required by the Accounts and Audit Regulations 2015 to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

In accordance with guidelines contained in the 2025 Practitioners' Guide (JPAG) paragraphs 4.6-4.12, I am independent of the Parish Council and its members as well as being a CiLCA qualified Clerk with over 10 years' experience.

I have carried out a selective assessment of the Council's compliance with relevant procedures and controls, which I expected to be in operation during the year ended 31<sup>st</sup> March 2026, as outlined in the letter of engagement signed by the Council at its 10<sup>th</sup> September 2025 meeting. The function of this internal audit is to improve efficiency and effectiveness of the Council's procedures, not to detect errors or fraud, as the management of the Council's internal controls is a function of the Council as a whole. (Practitioners' Guide, paragraphs 4.4-4.5).

This internal audit has been conducted electronically utilising requested documents provided by the Clerk, as well as those present on the website at [Kimble Parish Council](#). In addition, a Zoom meeting was held on 28<sup>th</sup> April 2026 to view hard copies of certain records.

This written report is laid out using the same format and headings as the AGAR Internal Audit report (page 3). Where I have answered NO to any of the AGAR assertions, the comments in bold in this report demonstrate the reasoning. I would recommend that the Practitioners' Guide is also referenced – the version for 2025/26 is available at [Practitioners' Guide 2025](#). A newer version for 2026/27 can also be downloaded.

Overall, the standard of management and governance processes is excellent, with some comments highlighted below for the attention of the Parish Council. I would like to thank the Parish Clerk/RFO, Pauline McBride for her cooperation and assistance in facilitating this internal audit.

### **Internal Audit report assertions**

- A. Appropriate accounting records have been properly kept throughout the financial year.**
- Prior year's cashbook balance has been correctly brought forward.

- Appropriate accounting records have been kept throughout the year with monthly updates brought to council meetings. The Council uses Scribe software. Reconciliations are regularly brought to meetings and signed off by the Internal Controls Councillor quarterly.
- As the Council holds bank balances in excess of £100,000, it is required by Practitioners' Guide to have an appropriate investment strategy. A policy was adopted on 14th May 2025. An explanation of CIL funding is also available.
- Council minutes for the year are complete and up to date and have been initialled & signed in accordance with [Local Government Act 1972 sched 12 paragraph 41 \(1\) \(2\)](#) Please ensure that the Chairman dates the minutes when signing (June 25). I would recommend being more specific about costs of items agreed for purchase e.g. June 2025 litter bin and security costs; Sept 25 Tommys, gate and Xmas lights. *RESOLVED to purchase xxx from yyy at a cost of £xxx.*

**B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.**

- Financial Regulations are regularly reviewed and are based on the latest 2025 template. Standing Orders are also regularly reviewed and based upon Model Standing Orders 2025.
- Invoices are processed promptly with the Clerk/RFO checking for validity and prior authorisation. They are then presented to full council for approval.
- A random sample of financial transactions was examined in detail and generally found to be administered correctly. As the Council does not hold the General Power of Competence, I would recommend that use is made of the dropdown 'powers' facility within Scribe to ensure that expenditure is made with regard to the powers and duties of Parish Councils.
- Currently three Councillors are authorised on the banking mandate with two signatories required.
- Payments are made by BACS/standing order or direct/debit.

**C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.**

- [The Accounts and Audit Regulations 2015](#) require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. A statement of Internal Controls was reviewed and adopted on 11<sup>th</sup> March 2026.
- Standing orders were last reviewed in March 2025 followed by April 2026.
- Other policies are in place and regularly reviewed. These are available on the website at [Policies - Kimble Parish Council](#)

- Insurance is in place, to appropriate levels with the exception of Fidelity Insurance coverage. This is set at £250K for 2025/26, when the Council holds cash in the amount of £521,699 at year-end. I would recommend that this is increased to reflect that the Fidelity Guarantee exceeds the amount of cash held. A 3-year long-term contract is in place which was due for renewal in March.
- It is recommended that the council reviews its insurance coverage level in relation to assets annually, specifically just before renewal (March). The last asset review was in February 2026.
- The Village Hall is owned by the Parish Council but managed by the Village Hall Charity which insures it.
- Regular inspections of assets are made – it is recommended that written reports are maintained.
- The Council reviewed its updated strategic risk assessment 11<sup>th</sup> March 2026. This is reviewed annually.
- A RoSPA inspection of the play area is done annually. (Additional monthly inspections also conducted by a councillor; again, it is recommended that written reports are maintained).
- I would recommend that specific risk assessments are kept on file for the outdoor gym and play areas respectively. Check with your insurers as to their requirements.

**D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.**

- The 2025-26 budget was reviewed in detail and the Precept set at £42,000 at the 11 December 2024 meeting.
- The 2026-27 budget was reviewed in detail and the Precept set at £42,000 at the 10 December 2025 meeting.
- The precept received matches the public record of precepted amounts.
- Regular quarterly progress reports against the budget were prepared and reviewed.
- An ear-marked reserve schedule and financial reserves policy were reviewed at the July 2025 meeting. The reserves analysis showed that £427,000 was ear-marked, including 3 months' running costs. I would recommend that this is reviewed on a regular basis, annually at a minimum as part of the budgeting process.

**E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.**

- The precept received (£42,000) matched the request and the central government record.
- A VAT refund was received in the amount of £7,517.33.

- The Council is not registered for VAT as it makes no vat-able supply.
- CIL receipts of £112,148.42 plus a BC grant of £16,204.30 were received.
- Bank interest receipts totalled £13,753.26.
- £4 in rent and £34.58 Wayleave were recorded.

**F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.**

- No cash received or petty cash held – not applicable. Financial regulations contain provision for this should it occur.
- A Zemplar debit card is used by the Clerk for minor purchases such as stationery etc. Use of this is covered in Financial Regulations.

**G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.**

- The Council is registered with HMRC as an employer and payroll is administered via a payroll provider.
- The Clerk/RFO is the only employee, and the NALC model template contract was used. I recommend that any changes to contract must be confirmed by letter as stated in practitioners' Guide page 30: *"Ensure that, for all staff, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract."*
- Regular payments to HMRC have been made in respect of PAYE, and the HMRC online statement a zero balance due at year-end.
- The Council is registered with the Pensions Regulator, and a redeclaration of compliance was made on 9th February 2026.
- No members allowances are paid.
- A working from home allowance of £26/month is paid – this is correctly included in line 6.

**H. Asset and investment registers were complete and accurately and properly maintained.**

- The asset register is up to date and matches line 9. The figures reflect the acquisition values.
- New acquisitions are added as purchased. (less VAT)
- The Council does not hold any DWLB loans.
- Investment strategy has been adopted.

**I. Periodic bank account reconciliations were properly carried out during the year.**

- Periodic bank reconciliations are conducted and signed off by the Internal Controls Councillor.
- Bank statements are regularly compared to the bank reconciliations.

- The year-end reconciliation matched the year-end bank statements.
- J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate, debtors and creditors were properly recorded.**
- The council operates on receipts and payments accounting in accordance with regulation 11 of the Accounts and Audit Regulations 2015.
  - The financial detail reported in the draft Section 2 of the AGAR reflects the detail shown in the cashbook for 2025/26. I would recommend uploading year-end bank statements to Scribe for reference.
  - Line 2 agrees to the precept raised.
  - Lines 2 & 3 equate to the receipts recorded in the cashbook.
  - Line 4 contains only staff costs as set out in Practitioners' Guide. These include salary, pension payments, PAYE & NI.
  - Lines 4, 5 and 6 equate to the payments total in the cashbook.
  - Line 8 matched the year-end bank reconciliation and supporting bank statements.
  - Line 9 matches the asset register.
- K. If the authority certified itself as exempt from a limited assurance review in 2024/25, it met the exemption criteria and correctly declared itself exempt.**
- The Council exceeds the £25,000 threshold and therefore did not declare itself exempt.
- L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.**
- The authority maintains a .gov.uk website which is regularly updated. A generic e-mail address is also utilised.
  - In general, all required information is published. The council exceeds the £25,000 threshold and is not subject to the [Transparency Code for Smaller Authorities 2015](#), although I would recommend following the requirements as best practice.
  - A comprehensive list of policies and procedures is available on the website, including the ICO's model publication scheme. [Policies - Kimble Parish Council](#)

**M. In the year covered by the AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2025-26 AGAR period, were public rights in relation to the 2024-25 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set?)**

- The Council approved the dates of 9/6/25-18/7/25 at the May 2025 meeting, and this was minuted. A notice was displayed on the noticeboard and is also available on the website. The announcement date was 5<sup>th</sup> June 2025.

**N. The authority has complied with the publication requirements for 2024/25 AGAR (see AGAR page 1 Guidance Notes)**

- The Council met this requirement.

**O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.**

- E-mail management – the parish council has a dedicated generic email account hosted on the PC's domain.
- All websites must meet the [Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies \(Websites and Mobile Applications\) \(No. 2\) Accessibility Regulations 2018](#) (where applicable). **The website accessibility statement was last reviewed in September 2021. It states that it meets WCAG 2.1AA which does not meet current requirements.** Even if the website is outsourced, it is the responsibility of the Parish Council to be compliant with regulations. Accessibility statement requirements are that it is reviewed when there are major changes to legislation and at **least annually**. [Make your website or app accessible and publish an accessibility statement - GOV.UK](#)
- The Parish Council follows both the [General Data Protection Regulation \(GDPR\) 2016](#) and the [Data Protection Act \(DPA\) 2018](#). A Data audit has been conducted, and appropriate policies are available on the website. Data Protection training has been undertaken.
- The Council is registered with the [Information Commissioner's Office \(ICO\)](#) as a Data Processor as required. The Information Available document is also available on the website. I would recommend setting up a direct debit for the annual fee as this offers a £5 discount.
- **The Parish Council has not yet adopted an IT policy – see paragraph 1.54 of Practitioners' Guide. As this is a requirement, it is recommended that one is adopted asap – a template is available in Practitioners' Guide, page 46.**

**P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.**

- The Council is a Custodian Trustee and is not responsible for the accounts or management.

**Other matters not covered above:**

- I would recommend that the Council reviews the 2026 edition of Practitioners' Guide, as it contains new requirements and guidance which will affect the 2026/27 audit, in particular relating to 'Digital & Data Compliance', and the requirement for an IT policy. A summary of the changes and the guide itself can be viewed at [Practitioners' Guide 2026](#).
- The May 2025 minutes have a footer date of May 2024.
- Do not include Clerk's holiday dates in minutes.

This report should be submitted along with the AGAR Annual Internal Audit Report 2025/26 to the full council for review and consideration, prior to completing the Annual Governance Statement.

*Deborah O'Brien* CiLCA PIALC 28<sup>th</sup> April 2026