Internal Audit Report

to be read in conjunction with the Annual Internal Audit Report of the 2025/26 AGAR

Name of council:	Lilbourne Parish Council		
Name of Internal Auditor:	Helen du Bois	Date of report:	20/6/26
Year ending:	31 March 2026	Date audit carried out:	15-18/6/26

To the Chairman of the Council,

The Accounts and Audit Regulations 2015 require Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control, and governance processes in accordance with proper practices.[1] The purpose of this internal audit is to review the adequacy and effectiveness of the Council's system of internal control and to provide an independent assessment to support the Council in completing Section 1 - Annual Governance Statement of the 2025/26 AGAR.

Lilbourne Parish Council has complied with the requirement to appoint an independent internal auditor by appointing me to undertake the work. I undertook a series of checks using the published information on the Council's website and supporting information provided by Clare Valentine (Clerk/RFO); I would like to thank Clare for her assistance with my queries.

This audit was conducted in accordance with the Practitioner's Guide 2025 - Governance and Accountability for Smaller Authorities in England. My findings and recommendations are set out below for each of the Internal Control Objectives contained in the Annual Internal Audit Report 2025/26.

A. Appropriate accounting records have been properly kept throughout the year: Y
The roll forward of the prior year balance to the new financial year was correct.
All receipts and payments were recorded correctly in the accounting records, and a sample of financial transactions was checked and verified.

B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT appropriately accounted for: Y
The Council approved the 2024 model Financial Regulations on 21.5.25.
Payments were supported by invoices and authorised according to Financial Regulations.
The minutes record the statutory powers under which the expenditure was made.
VAT paid was recorded correctly; the Council did not submit a VAT126 claim during the year.

RECOMMENDATIONS:

- *The Council should adopt the March 2025 versions of the NALC model Financial Regulations[2] and Standing Orders.[3]*
- *Financial Regulations and Standing Orders should be tailored to suit the Council, using the customisation guidance on pages 1-2 of the model documents.*

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these: Y
The Risk Assessment was approved on 25.3.26.
Payments were made for the insurance cover for the minibus on 29.4.25, and the Council's insurance cover on 11.6.25.

[1] The proper practices are set out in the Practitioner's Guide 2025 - *Governance and Accountability for Smaller Authorities in England.*
[2] www.nalc.gov.uk/support/finance-advice/model-financial-regulations.html
[3] www.nalc.gov.uk/resource/model-standing-orders-england.html

The minutes of 25.2.26 note that internal control checks were carried out routinely and the Council resolved to adopt an Internal Controls Checklist.
Safety checks of the Council's physical assets were carried out by a Councillor and minuted on 25.3.26.
Councillors reviewed the play area and playing field inspection report on 28.1.26 and considered any recommendations.

RECOMMENDATIONS:

- *The Council could maintain a central record of all safety inspections undertaken of the Council's assets, recording inspection dates, findings, and any actions taken. This would provide an audit trail of the Council's asset monitoring and may be required by the Council's insurers in the event of a claim.*

D. The Precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored and reserves were appropriate: Y

The 25/26 Budget and resulting Precept were approved by the full Council on 5.2.25; the approved Precept values were recorded in the minutes and the agreed Budget was published to the Council's website.
The 25/26 Precept received matches the amount requested.
The Council monitored budget versus expenditure in September and November 2025; in the meeting on 25.2.26 Councillors resolved to monitor budget vs expenditure every quarter.

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

All income was recorded correctly, and VAT was appropriately accounted for.
There were no outstanding debts owed to the Council at 31.3.26.

F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for: N/A

The Council does not use petty cash.

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: Y

The Council is registered as an employer with HMRC and payments are made to HMRC regularly.
Payroll is processed by a 3rd party.
The Clerk received the relevant 2025/26 NJC pay increase and back pay.
The Council has submitted a declaration of compliance to the Pensions Regulator.

RECOMMENDATION:

- *It is good practice for the minutes to note the NJC pay increase.*

H. Asset and investments registers were complete and accurate and properly maintained: Y

The Council's insurance schedule provides adequate cover for the Council's assets.
The Asset Register is up to date and properly maintained; it was approved by Councillors on 25.3.26.

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

The year-end Bank Reconciliation for 2025/26 accurately reconciles the Council's bank accounts.
The minutes show that monthly bank reconciliations were approved in 2026.

RECOMMENDATIONS:

- *The Council's Financial Regulation 2.6 requires bank reconciliations to be verified by Councillors every quarter. This should be minuted and the reconciliations and related bank statements should be signed/dated by a Councillor.*
- *It is good practice to publish bank reconciliations, to support the Council's financial transparency. This could be achieved by publishing them in the minutes each time a bank reconciliation is approved or with the Council's financial information on the website.*

J. Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cashbook, supported by an adequate audit trail from underlying records and where appropriate, debtors and creditors were properly recorded: Y
The Accounts were prepared on a 'receipts and payments' basis, which is correct.
The cashbook reconciles with the bank statements and invoices are kept.
The financial detail reported in the draft Section 2 – Accounting Statements 2025/26 reflects the detail in the account records maintained for the financial year.

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: N/A
The Council was not exempt from an external audit in 2024/25 as receipts and payments both exceeded £25,000.

L. The authority publishes information on a website/web page, up to date at the time of the internal audit in accordance with the relevant legislation: Y
The Council publishes information on a website in accordance with the relevant legislation.

M. In the year covered by this AGAR, the authority correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations: Y
The provided Notice of the Period for the Exercise of Public Rights published on the website correctly identified a 30-working day period.
The dates for the Period for the Exercise of Public Rights were not recorded in the minutes.

The published date of announcement was less than one full day before the commencement date.

RECOMMENDATION:

- *There should be one full day between the date of the notice and the start of the 30-working day period.*

N. The authority has complied with the publication requirements for the 2024/25 AGAR: Y
The Council met the publication requirements in relation to the prior year's AGAR.

O. The authority complied with laws, regulations & proper practices relating to digital and data compliance: Y
The Council's website and email addresses are hosted on a gov.uk domain.
The Council adopted an IT Policy on 25.2.26, and the Data Protection Policy was approved on 25.3.26.
The Council has published details of the information available under the Freedom of Information Act.
The Clerk provided a Data Map.
The Council is registered with the Information Commissioner's Office (ICO).

The website's Accessibility Statement is dated April 2023 and refers to an outdated version of the Web Content Accessibility Guidelines.

RECOMMENDATIONS:

- *The Data Map should be approved by the Council, it does not need to be published.*
- *The Web Content Accessibility Guidelines (WCAG) version 2.2 came into effect in October 2024 and is the expected standard for UK public bodies; the website should be tested against the new standards and the Accessibility Statement amended accordingly.*
- *It is recommended that the Council test the accessibility of its website against WCAG 2.2 guidelines at least annually.*

P. Trust funds (including charitable) – the Council met its responsibilities as a trustee: N/A
Not Applicable.

Based on the work undertaken, it is my opinion that the Council maintained a good standard of control during 2025/26. This report should be taken to the next meeting of the Council to inform Councillors of the findings and recommendations arising from the Internal Audit.

Yours sincerely,

Helen du Bois, CiLCA
Internal Auditor to the Council
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The figures submitted to me for Section 2 – Accounting Statements in the Annual Governance and Accountability Return were:

	Year ending 31 March 2025	**Year ending 31 March 2026**
1. Balances brought forward	58,260	69,175
2. Annual precept	24,750	25,850
3. Total other receipts	67,000	45,559
4. Staff costs	32,241	35,409
5. Loan interest/capital repayments	0	0
6. Total other payments	48,594	54,325
7. Balances carried forward	69,175	50,850
8. Total cash and investments	69,175	50,850
9. Total fixed assets and long-term assets	251,194	250,546
10. Total borrowings	0	0

END