

# Annual Internal Audit Report 2025/26

Upper Heyford Parish Council

www.upperheyfordpc.org.uk PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

During the financial year ended 31 March 2026, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2025/26 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
	A. Appropriate accounting records have been properly kept throughout the financial year.	✓	
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		✓	
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		✓	
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.			✓
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.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
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.	✓		
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. (If the authority had a limited assurance review of its 2024/25 AGAR tick "not covered")			✓
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.	✓		
M. In the year covered by this 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).	✓		
N. The authority has complied with the publication requirements for 2024/25 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.	✓		
<b>P. (For local councils only)</b> Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

05/04/2026

08/05/2026

01/06/2026

Lisa Wilkinson CHIEF OF INTERNAL AUDITOR

Signature of person who carried out the internal audit

 SIGNED

Date

01/06/2026

\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

# Upper Heyford Parish Council Internal Audit Report 2025-26

**Internal Auditor: Lisa Wilkinson**

## **Internal Audit Report 2025/26 – Upper Heyford Parish Council**

This internal audit was undertaken in accordance with the scope and requirements set out in the Practitioners' Guide 2025: Governance and Accountability for Smaller Authorities in England. The audit is based on a review of documentation provided by the Clerk, responses to the Internal Audit Questionnaire 2025/26, sample testing, and the auditor's professional judgement.

### **Overall Conclusion**

On the basis of the work carried out, it is my opinion that Upper Heyford Parish Council has a generally sound system of internal control in place. However, a number of control weaknesses and areas of non-compliance have been identified, particularly in relation to governance processes, budget setting and statutory publication requirements.

Where improvements are required, these are set out as recommendations within this report. A number of the matters identified during the audit relate to historic governance and accounting weaknesses which pre-date the appointment of the current Clerk. Significant progress has been made during 2025/26 to improve governance arrangements, publication compliance and accounting records, including actions taken in response to the External Auditor's Report for 2024/25.

### **Internal Audit Objectives and Findings**

#### **A. Proper accounting records were kept throughout the year**

The Council maintains accounting records using Xero. Records reviewed were consistent with bank statements and supporting documentation.

**Response: Yes**

#### **B. The Council complied with its Standing Orders and Financial Regulations**

Standing Orders, Financial Regulations and the Code of Conduct were reviewed and approved on 17 July 2025.

Payments sampled were properly authorised, supported by invoices, and approved in accordance with council procedures. A sample of invoices was checked against payments on bank statements and found to be consistent, providing a clear audit trail.

**Response: Yes**

#### **C. The Council assessed significant risks and reviewed the effectiveness of internal control**

The Council maintains a Risk Assessment, which was reviewed and approved in July 2025. This demonstrates that arrangements are in place to identify and manage risks.

The Council has indicated that a review of the effectiveness of internal control has been undertaken; however, this is not evidenced within the minutes or on the Council website.

The review of effectiveness of internal control is a statutory requirement under the Accounts and Audit Regulations 2015 and must be clearly minuted.

The external auditor's report for 2024/25 identified governance weaknesses in this area. The Council should ensure that all matters raised by the external auditor are formally considered and addressed.

**Response: No**

**Recommendation:**

The Council should ensure that the review of the effectiveness of internal control is formally approved by Council and clearly minuted, with evidence retained to support the Annual Governance Statement.

**D. The precept resulted from an adequate budgetary process and progress against the budget was regularly monitored**

The January 2025 minutes record that the budget was approved; however, the approved budget figure and the precept amount requested are not explicitly stated in the minutes, and no separate minute evidencing formal approval of the precept figure has been identified.

The budget documentation provided sets out planned expenditure but does not clearly identify the sources of income, including the precept amount.

The current Clerk was not in post until May 2025. A draft budget for 2026/27 has since been prepared which clearly identifies both anticipated income and expenditure, demonstrating an improved approach to budget setting.

The omission of income detail and the absence of a formally minuted precept figure for 2025/26 pre-date the current Clerk's appointment.

**Response: No**

**Recommendation:**

The Council should ensure that future minutes explicitly record both the approved budget amount and the precept amount resolved, and that budgets clearly identify both anticipated income and expenditure, to provide a complete and transparent audit trail.

**E. Expected income was fully received, properly recorded and VAT appropriately accounted for**

Income was properly recorded and banked.

VAT reclaims are undertaken during the year. The most recent reclaim covering January–March 2026 was reviewed.

**Response: Yes**

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

Payroll arrangements were reviewed and found to be compliant. PAYE obligations and pension requirements are being met.

The external auditor's report for 2024/25 identified an issue relating to payroll; based on the work undertaken for 2025/26, payroll arrangements are now operating correctly.

**Response: Yes**

**G. Asset and investment registers were complete and properly maintained**

The Council maintains an Asset Register which was reviewed and updated during the audit process. A revised register was formally approved by Council following year end and the total agrees to Box 9 of the AGAR.

The revised Asset Register reflects a review and correction of historic asset valuation methodology rather than significant acquisitions during the financial year.

**Response: Yes**

**H. Periodic and year-end bank account reconciliations were properly carried out**

Bank reconciliations are undertaken regularly. The year-end reconciliation was reviewed and agrees to the bank statements and Box 8 of the AGAR.

**Response: Yes**

**I. Accounting statements prepared during the year were prepared on the correct accounting basis and agreed to the cashbook**

The authority prepares its accounts on an income and expenditure basis.

During the audit it was identified that historic accounting statements appear to have incorporated fixed asset values within balances carried forward. The current year accounting statements have been adjusted to reflect the correct treatment in accordance with the Practitioners' Guide.

The External Auditor's Report for 2024/25 identified issues relating to the classification of income within the AGAR. Based on the work undertaken, the current year accounting statements appear to apply the correct treatment.

The year-end bank reconciliation and supporting records reviewed during the audit are consistent with Box 8 of the AGAR.

The difference between Box 7 and Box 8 has been explained appropriately through the reconciliation between balances and reserves.

The Council has also addressed prior year AGAR disclosure issues identified by the external auditor.

**Response: Yes (with recommendation)**

**Recommendation:**

The Council should ensure that future accounting statements continue to apply the correct accounting treatment in accordance with the Practitioners' Guide.

**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**

The Council certified itself as exempt from a limited assurance review for 2024/25. Based on the information reviewed, the exemption criteria appear to have been met.

**Response: Not covered**

**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 Council maintains a website where governance and transparency information is published.

The External Auditor's Report for 2024/25 identified issues relating to publication of statutory notices and AGAR documentation. The website has since been updated and the relevant notices and AGAR documents for 2024/25 now appear to be published appropriately.

**Response: Yes**

**L2. Members' interests were properly registered and managed**

Registers of Members' Interests are held and published by the District Council.

**Response: Yes**

**M. In the year covered by this AGAR the authority correctly provided for a period for the exercise of public rights**

The Notice of Public Rights for the 2025/26 AGAR period appears to have been correctly published in accordance with the Accounts and Audit Regulations.

The External Auditor's Report for 2024/25 identified issues relating to the previous year's public rights arrangements.

**Response: Yes**

**N. The authority has complied with the publication requirements for the prior year's AGAR**

The AGAR documentation for 2024/25 is published on the Council's website, including the Annual Governance Statement (Section 1), Accounting Statements (Section 2), Internal Audit report, the External Auditor Report and Certificate, the Notice of Conclusion of Audit and the Notice of Public Rights.

Additional historic AGAR documentation has also been published following the recent website update.

**Response: Yes**

**N2. Website accessibility and publication compliance**

The Council maintains a website where governance and transparency information is published.

An Accessibility Statement is in place in accordance with the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018, and a Privacy Notice is also published.

The website has recently been updated, and governance information appears to have been transferred appropriately.

**Response: Yes**

**N3. Biodiversity duty**

The Council is aware of its biodiversity duty under the Environment Act 2021 and has approved a Biodiversity Policy.

**Response: Yes**

**P. Digital and data governance (Assertion 10)**

The Council has appropriate data protection arrangements in place, including registration with the ICO and the use of council-controlled email systems. Policies relating to data protection, document retention and acceptable use are in place and were reviewed by Council in July 2025.

These arrangements support compliance with digital and data governance requirements.

**Response: Yes**

**AGAR Page 3 – Internal Audit Opinion Summary**

Based on the work undertaken, the responses to the individual control objectives are set out above and should be reflected accordingly in Section 3 of the AGAR.

Internal audit work was carried out on a sample basis and therefore cannot provide absolute assurance. However, the work completed provides reasonable assurance that the Council's systems of internal control are effective and operating in accordance with proper practices.

Signed:



Date: 1<sup>st</sup> June 2026

