Audit and Locum Services

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Mrs Carol Binnington , Parish Clerk
Buildwas Parish Council

21st May 2026

Dear Carol,

Subject: Internal Audit Report for 31st March 2026

The internal audit of Buildwas Parish Council was carried out in accordance with the requirements of the *Audit and Accounts Regulations 2015* and the guidance and instruction in the SAPPP *Practitioners Guide 2025*.

On the basis of the internal audit carried out on 21st May 2026, which was limited to the tests specified in the AGAR Annual Return for Local Councils, Buildwas Parish Council's system of internal controls and administration records were found to be in good order, and deemed adequate for the purpose intended and effective, subject to the recommendations reported in the report below.

This report has been provided to the council for internal use only in order to provide you with a full assessment of your financial, audit and governance controls.

Your completed internal audit, as part of your AGAR forms, will be provided with this report and must be published on your website before 1st July.

Once you are in receipt of our audit, please ensure you follow the procedures for approving your accounts and statements in accordance with the guidance in the Annual Governance and Accountability Return (Form 3).

Katie Eshelby



Internal Auditor

Test Carried Out	Comments	Recommendations
A.	*Appropriate accounting records have been properly kept throughout the financial year.*	
	Appropriate accounting records have been properly kept throughout the accounting year. Bank statements accurate and balance to bank statements.	
B.	*This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for with evidence of Vat Reclaim receipt for 24-25.*	
	Evidence supports invoices, payment lists and bank statements being checked and signed by Councillors at each Council meeting.	
C.	*This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.*	
	This Council shows no evidence of a Risk Assessment being reviewed in 25-26 **No Internal Controls Policy in place, and Council should comply with their Financial Regulations by having two members approve their payments.**	**Risk Assessment must be assessed and revied by Council each financial year.** **The Clerk confirmed one will be put forward at the ACM in May 2026** **An Internal control Policy should be adopted and the relevant checks carried out by councillors.**
D.	*The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.*	
	Minutes show Full Council agreed the budget and precept. The budget is monitored throughout the year. Records show the precept payment for 25/26 was received correctly by the Principal Authority.	**The Clerk has confirmed a Reserves Policy has been created and will be taken to full council for review and adoption at the ACM in May 2026**
E.	*Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.*	
	Records show the council complies with correct procedures for receiving income	
F.	*Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.*	
	N/A – This council does not hold 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.*	
	The Council complies to correct payroll standards and procedures. The Clerk has an up to date contract signed in November 2025 and pays salary and PAYE/NI which is calculated to the approved scaling point on accordance with NJC.	
H.	*Asset and investment registers were complete and accurate and properly maintained.*	
	The council has an up to date, and accurate asset register.	
I.	*Periodic Bank Reconciliations were properly carried out during the year*	
	Bank Reconciliations are carried out regularly, approved at full council and signed by two members with the minute number documented.	

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's accounting statements are correctly prepared and are appropriately recorded on a receipts and payments basis.	
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.*	
	This council met the exemption criteria and correctly declared itself exempt in 24/25.	
L.	*Transparency Code: The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with the relevant legislation*	
	This council complies with the transparency code with the exception of expenditure over £100 being published on the website put on after year end due to size of PC and small number of transactions.	**As per the Transparency Code for Smaller Authorities, it is recommended that an annual list of expenditure over £100 relating to the financial year is published on the Council's website.**
M.	*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).*	
	The Public Notice for 24/25 shows the correct dates and was minuted as such.	
N.	*The authority complied with the publication requirements for the prior year AGAR.*	
	This council has complied with the AGARs publication requirements for 24/25	
O.	*The authority has complied with laws, regulations & proper practices relating to digital and data compliance.*	
	Evidence does not support that the council is fully compliant with laws, regulations & proper practices relating to digital and data compliance.	**IT Policy should be adopted by Council**
P.	*Trust funds (including charitable) - the Council met its responsibilities as a trustee*	
	N/A - This Council is not a trustee	

ASSERTION 1 - FINANCIAL MANAGEMENT AND PREPARATION OF ACCOUNTING STATEMENTS

Expected Controls/Evidence	Auditors Checks	Recommendations
• Prepared and approved a budget prior to setting precept and within a timely manner • Have an appointed RFO • Cashbook maintained and up to date with receipts/payments fully recorded and regular bank reconciliations undertaken • Investments managed in accordance with statutory guidance • General Reserves Policy in place or reserves considered • Year-end totals agree to bank reconciliation	• Confirm correct roll forward of the prior year cashbook balances to the new financial year and year-end balances reconcile • Sample transactions traced to records • Verify arithmetic accuracy • Review document retention • Review of Council minutes for accuracy of reporting • Review of RFO appointment/contract confirmation • Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy	**The Clerk has stated they have a Reserves Policy to be approved at Full Council on May 20th 2026**

ASSERTION 2: INTERNAL CONTROL

Expected Controls/Evidence	Auditors Checks	Recommendations
• Standing Orders and Financial Regulations adopted and adhered to • Payments properly authorised • Debit/credit cards have clear restrictions that align to Financial Regulations • Bank mandates are up to date • Budget monitoring	• Review of Standing Orders and Financial Regulations • Review authorisation trail • Inspect reconciliation frequency • Test compliance with procedures • Review council oversight evidence	**The Risk Assessment must be reviewed annually as per the Council's Financial Regulations. The Clerk confirmed this would be going to council in May 26**

• Risk management and internal controls policy in place • Asset register in place and insured • Loans are affordable and properly approved	• Review asset register and test against purchases where relevant	

ASSERTION 3: COMPLIANCE WITH LAWS, REGULATIONS AND PROPER PRACTICES

Expected Controls/Evidence	Auditors Checks	Recommendations
• Evidence of statute powers recorded against all payments • Resolution confirming GPC • Proper tender/procurement process • Section 137 spending monitored • VAT handled correctly • Minutes evidence lawful decisions	• Review procurement samples • Check statutory procedures followed • Confirm VAT treatment • Test spending powers	**All checks were satisfactory**

ASSERTION 4: EXERCISE OF PUBLIC RIGHTS

Expected Controls/Evidence	Auditors Checks	Recommendations
• Notice of public rights issued correctly • Accounts published as required • Transparency compliance	• Verify publication evidence • Confirm statutory timelines met	**All checks were satisfactory**

ASSERTION 5: RISK MANAGEMENT

Expected Controls/Evidence	Auditors Checks	Recommendations
• Annual risk assessment completed • Insurance cover appropriate • Control measures documented	• Review risk register • Confirm insurance adequacy • Evaluate mitigation actions	**As per Assertion 2, the Risk Assessment must be reviewed annually by the Council.** **An Internal Controls Policy should be adopted by council and carried out accordingly.**

ASSERTION 6: INTERNAL AUDIT

Expected Controls/Evidence	Auditors Checks	Recommendations
• Independent auditor appointed • Audit plan/routine checks performed • Recommendations acted upon	• Confirm independence • Review prior year follow-up • Assess audit coverage	All checks were satisfactory

ASSERTION 7: REPORTS FROM AUDITORS

Expected Controls/Evidence	Auditors Checks	Recommendations
• External/internal audit issues reviewed • Council responses documented • Improvements implemented	• Inspect action tracking • Confirm corrective steps taken	All checks were satisfactory

ASSERTION 8: SIGNIFICANT EVENTS

Expected Controls/Evidence	Auditors Checks	Recommendations
• Council awareness of liabilities • Proper disclosure processes	• Review minutes/legal correspondence • Confirm reporting awareness	All checks were satisfactory

ASSERTION 9: TRUST FUNDS

Expected Controls/Evidence	Auditors Checks	Recommendations
• Separate accounting • Trustee responsibilities met	• Verify fund segregation • Review reporting compliance	NA

ASSERTION 10: DIGITAL AND DATA COMPLIANCE

Expected Controls/Evidence	Auditors Checks	Recommendations
• Generic email address (.gov or .org.uk) • A website that meets accessibility guidelines 2.2 AA	• Inspection of domains and email management • Website testing and review • Inspection of IT, data protection and	This Council has a generic email account hosted on an authority owned name Complies with accessibility guidelines 2.2 AA, has GDPR Policies, but does not have an IT policy in place therefore it

• Data protection and GDPR policies in place • Compliance with FOIA 2000 • Adopted IT Policy	publication scheme policies	**does not comply with Assertion 10.**

Key Recommendations:

Risk Assessment to be reviewed annually
Internal Controls Policy to be adopted and carried out accordingly
Reserves Policy to be adopted – (this is already being addressed)

IT Policy to be adopted in order to meet criteria for Assertion 10.