Frances Ahearne
Clerk to Aighton Bailey & Chaigley Parish Council

13th June 2026

To the Chair and Members of Aighton Bailey and Chaigley Parish Council
Internal Audit of Accounts for the Financial Year ending 31st March 2026

I have concluded the annual independent Internal Audit of the Council and I am pleased to inform you that I have signed the Internal Audit Section of the Annual Return for Local Councils, as required. The accounts have been well maintained and appropriate controls supporting the governance framework have been in place. There were no significant issues arising. The results of my audit are detailed below.

The Internal Audit has been carried out electronically, using documents supplied by the Clerk in addition to those present on the website.

By way of background, I am CiLCA qualified, hold the Principles of Internal Auditing Local Councils' qualification and have extensive banking experience. As the Councils' appointed internal auditor, I confirm that I am independent of the Council.

My internal audit primary role is to provide assurance that the Parish Councils' systems and processes are operating effectively and in line with statutory requirements. I am required to consider the evidence and test the systems and controls available, to assess if the Council has effective systems and control arrangements in place for the areas examined. In examining these arrangements, emphasis has been placed on compliance with a number of the Parish Councils' key governance directions, its management of risk, and its financial controls. Consideration is given to the size and scope of activities undertaken by the Council.

For the year-end financial statements, an inspection is carried out to verify there are no significant financial management or control matters that may impact on the Annual Internal Audit Report assessments, made at the time of the review. The internal audit should inform the Council, it is not designed to offer assurance over the completion of the AGAR Sections 1 & 2, responsibility for the accuracy of these submissions' rests with the Council.

Where weaknesses are identified during the internal audit process, which impact on governance and internal control, recommendations are made.

The responsibility for the prevention and detection of fraud, error and non-compliance with the law or regulations rests with the Council. The internal audit should not be relied upon to disclose all material mis-statements or fraud, errors, or instances of non-compliance, as may exist.

In the Section below I have recorded my Annual Internal Audit Report (AIAR) responses and offered some comments by way of explanation for these. Members need to be mindful that this assessment is of systems and control during 2025/26 to the time of the audit review.

Internal Audit Assessment

The table below follows the format of the AIAR section of the AGAR, for each section questions have been raised in order to establish the systems and control arrangements. The responses, along with the supporting evidence provided, has allowed review, challenge, examination and assessment.

AGAR (AIAR section) Internal Control Objective, Internal Audit assessment and related comments	**Yes /No**
A. Appropriate accounting records have been properly kept throughout the financial year.	**Yes**
Based on the review of the Council minutes, the systems and supporting records, the Council has put in place effective procedures to accurately and promptly record all financial transactions. It has maintained up to date accounting records throughout the year, together with the necessary supporting information. Invoices, payment requests and receipts are recorded in the cashbook/spreadsheet. Copy invoices, payment requests, or other supporting information for transactions are held on file. Payments are reported to the Council each meeting, and approval is recorded in the minutes. Whilst the Clerk reports that Councillors are informed of balances at each meeting and this is minuted, **it is recommended that an actual written bank reconciliation is carried out and presented to Councillors on a monthly basis. This ensures that all payments and receipts are recorded correctly and also confirms that the bank statement month end balance is agreed**. The year end bank reconciliation is agreed and accurate figures are inserted on the AGAR, Section 2, line 8. **MINUTES** **I discussed signing of the minutes with the Clerk. Council minutes become a legal document once they are physically signed. Local Government Act 1972, Schedule 12 Section 41 (1,2) refers. All minutes should be signed on**	

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each page at the meeting in which they are approved. It is recommended that this procedure is adopted.	
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	**Yes**
The Financial Regulations are displayed on the website however, in July 2024, NALC produced new Model Financial Regulations that were updated in 2025 to reflect The Procurement Act 2023 and The Procurement Regulations 2024, which came into force in March 2025. **It is recommended that the new regulations are adopted by the Parish Council at the next review.** The Councils' Standing Orders are also displayed on the website, NALC updated their Model Standing Orders in 2025 to include revisions to Standing Order 14 (Code of Conduct) and 18 (Procurement) alongside adopting gender neutral language. **It is recommended that this new version is adopted by the Parish Council at the next review.** Based on a sample examination of a number of payments selected from the cashbook, confirmation has been gained that the payments made are supported by invoices or payment requests. Payments have been properly approved by Members. A VAT column is not shown in the cash book. Having the VAT recorded in a separate column ensures VAT is accounted for appropriately, makes the VAT Form 126 easier to complete and is essential for maintaining a transparent audit trail. **It is recommended that this procedure is adopted.** Effective management and control over the Councils' bank accounts are present, payments, currently made by cheque, are verified, scrutinised and formally approved. An effective and controlled payments approval process operates. The Council do not have a tendering process in place which should be included when the new Financial Regulations are approved and adopted. The Clerk does confirm that in accordance with the current the Financial Regulations, three quotations are obtained for any purchases/services, where necessary. The Parish Council do not use a debit card.	

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C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	**Yes**
The Council has a Risk Assessment document in place, displayed on the website which was reviewed and approved by the Council in June 2023. Council risks have been identified and documented, along with the controls and actions to mitigate these risks. **It is recommended that this document is reviewed during the current year to ensure it remains relevant.** The Clerk also confirms that the Parish Council do not hold any community events. They are directly responsible for the playground and playing field. Full risk assessments are in place and quarterly checks are carried out by a designated Councillor. An annual ROSPA inspection is also carried out. The Risk Assessment documents are displayed on the website. All expected insurance policies are in place and values for the public liability, employers' liability and fidelity guarantee are consistent with the risks covered.	
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	**Yes**
The annual precept request was underpinned by an annual budget. A budget setting process operates that identifies the funding need based on activities and commitments. The precept has been set in accordance with the agreed and approved budget requirement and has been approved by the full Council. The budget covers all of the Councils' activities, income sources and expenditure. For good financial health it is normally recommended a balance at year end representing about 26 weeks of payments, however, this can typically be between 3 and 12 months expenditure, as a general reserve. The current year-end general funds balance of approximately £13,700 demonstrates good financial health. **In accordance with the Councils' Financial Regulations number 4.7, budget comparisons should be carried out at least quarterly and provided to all Councillors to ensure any overspends are identified at an early stage, or to establish if any budget reallocations are required. This gives Councillors a good overview of their financial position.**	

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E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	**Yes**
The Council generally receives limited income beyond the precept and sources are consistent with the previous year and variances have been adequately explained. A National Lottery Grant in the sum of £20,000 and a grant of £2000 were received last year towards playground repairs. VAT reclaims are prepared and submitted in a timely manner with records kept in accordance with current HMRC requirements. The claims are up to date and the 2025-26 reclaim is pending. The Council do not raise fees that attract VAT.	
F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.	**Yes**
The Council has previously used petty cash with a balance of around £20.00. This currently has a nil balance and the use of petty cash has now ceased. I have not viewed receipts for the expenditure which were for postages however, the petty cash balance was agreed.	
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.	**Yes**
The Clerk confirmed that a contract of employment is **not** currently in place, however, the Councillor dealing with this will ensure that this is drawn up, approved and signed by the Clerk as a matter of urgency. The salary payable to the Parish Clerk has been approved by Members and is a nominal amount and not in line with the NJC scale. The payments made to the Clerk are in accordance with agreed terms and relevant employment related deductions are made. Employer liabilities have been paid. The Council uses the HMRC PAYE tool to facilitate salary processing. Documents were seen that confirm the Parish Council is registered with the Pensions Regulator with redeclaration of compliance dated 12th May 2026. The Council does not pay a direct Chairmans allowance.	
H. Asset and investments registers were complete and accurate and properly maintained.	**Yes**

AGAR (AIAR section) Internal Control Objective, Internal Audit assessment and related comments	Yes /No
All material assets owned by the Council are maintained in an Asset Register that was reviewed and updated by Council in June 2025 and the Clerk confirms this will be reviewed again shortly to include recently obtained upgraded equipment. The Councils' assets are appropriately insured.	
I. Periodic bank account reconciliations were properly carried out during the year.	**Yes**
Evidence shows the Councils' bank accounts are reconciled on a monthly basis. The full audit and accountability trail is present.	
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.	**Yes**
The accounts were compiled on the basis of receipts and payments which is consistent with the previous year. The accounting process as reviewed is adequate and appropriate; the accounting statements agree to the cash book and are supported by an adequate audit trail from underlying records and explanations.	
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.	**N/A**
The Council did not certify itself as exempt from a limited assurance review in 2024/25, as it did not meet the exemption criteria.	
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.	**Yes**
The Government introduced two transparency codes, one for larger Councils with an annual turnover exceeding £200,000 and another for smaller Councils with an annual turnover not exceeding £25,000. Although the Transparency Codes specifically mandate compliance from Councils within these turnover brackets, it is strongly encouraged that all Parish Councils with annual turnovers under £200,000 adhere to the transparency code of smaller	

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authorities as a minimum. This also ensures a high level of transparency, the aim being to enable local electors and precept payers to access relevant information about the Councils' accounts and governance. A review of the Councils' compliance with the Code shows; • All items of expenditure above £100 – All items of expenditure are recorded in the minutes. (the payments schedule) • End of year accounts – Yes, the bank reconciliation and analysis of variances are displayed on the website. • A list of Councillors and responsibilities – A list of Councillors is shown on the website, but responsibilities are not included. **It is recommended that these are added.** • Meeting agendas and minutes – All agendas and minutes are shown on the website. • The details of public land and building assets – Shown in the Asset Register.	
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).	**Yes**
The Council complied with the required period (30 working days including the first 10 working days of July 2025) for the exercise of public rights for the 2024-25 AGAR.	
N. The authority has complied with the publication requirements for the 2024/25 AGAR *(see AGAR Page 1 Guidance Notes).*	**Yes**
Authorities must publish various documents on a publicly available website as required by the Accounts and Audit Regulations 2015. These include: • Annual Internal Audit Report 2024/25 **–** Yes, this is displayed on the website. • Section 1 – Annual Governance Statement 2024/25 – Yes, displayed on the website.	

AGAR (AIAR section) Internal Control Objective, Internal Audit assessment and related comments	Yes /No
• Section 2 – Accounting Statements 2024/25 – Yes, displayed on the website. • Bank reconciliation – Yes, displayed on the website. • Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015 - Yes, shown on the website**,** together with the notes which accompany the notice. • Notice of conclusion of audit – Yes, displayed on the website.	
O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance	**Partly**
See Assertion 10 below.	
P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	**Not Applicable**
The Council (as a body) does not have trust or charitable responsibilities.	

<u>Assertion 10 – Digital and Data compliance.</u>

2026 is the first year that the Parish Council will complete the AGAR including Assertion 10 with the requirement for Councils to demonstrate compliance with digital data protection and IT security. It requires Parish Councils to comply with the UK General Data Protection Regulation and the Data Protection Act 2018. Councils must process personal data lawfully, fairly and in line with UK GDPR principles. In reality, this means Councils should have a general understanding of all of the personal data they process, their purpose for processing it, where it is stored, whether that data is shared and ultimately, when the data is deleted. The areas tested are shown below:

1. Domain/Email – In accordance with Assertion 10, the Council currently uses a Council owned domain for its official email and website. This provides an elevated level of security, can only be used by authorised organisations and improves GDPR, Freedom of Information and Subject Access Requests.

2. The Clerk confirms that the Council do **not** have an IT policy in place. Assertion 10 mandates that this must be in place and **it is recommended that a policy is**

approved and adopted as soon as possible to prevent this becoming a compliance risk.

3. Website Accessibility/Transparency – The Council website exists and an accessibility statement is present, which was last reviewed and tested in April 2026 by Easy Websites Ltd. The Council confirms it meets accessibility standards required. The Council publishes the statutory documents including the AGAR, minutes, financial information and contact information of the Clerk.

4. Data Protection awareness – The website shows relevant Data Protection policies, Freedom of Information, a Safeguarding Policy and a Publication Scheme are in place, evidence that the Council recognises its obligations under Data Protection Law. However, it appears that it is some time since these documents were updated which should be done at regular intervals. **It is recommended therefore that a programme to review and update all policies is put in place over the next financial year, commencing at the next available meeting.**

   As Data Controllers, under UK GDPR, who process personal information, staff payroll, Councillor contact details and residents' correspondence, the Parish Council are legally required to comply with Data Protection and as such, be registered with the Information Commissioners Office. **It is recommended that this is completed as soon as practicable.**

In concluding the audit, I have found the accounts and internal control systems to be well maintained and in line with the current regulations which demonstrates a sound system of internal control.

Finally, I would like to thank the Clerk for her assistance in completion of the audit. The information provided and the responsiveness of the Clerk, made the process straightforward and positive.

Should you wish to discuss any element of the report, please do not hesitate to contact me.

Best wishes

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