INTERNAL AUDIT REPORT
POULTON & PULFORD PARISH COUNCIL – 2025/26

The internal audit of Poulton & Pulford Parish Council was carried out by undertaking the following tests as specified by the Audit Commission on Section 4 of the Annual Return for Local Councils in England and Wales:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have bee met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has be received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(
- Year end testing on the accuracy and completeness of the financial statements

Conclusion
On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpo intended and effective, subject to the issues reported in the action plan overleaf.

As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

JDH Business Services Limited

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ACTION PLAN

	ISSUE	RECOMMENDATION	FOLLOW UP
1	The council has incorrectly completed box 11 on the draft AGAR accounts page. The response to this box for 2025/26 should be 'YES' if the council is not a sole trustee. The response should only be 'NO' if the council is a sole trustee and it has erroneously included trust transactions with the council accounts.	*Box 11 on the AGAR should be amended.*	
2	The Council certified themselves as exempt from a limited assurance review in 2024/25, however they did not publish an analysis of variances on the website before 1 July 2025.	*The Council must ensure that they publish the documents listed on the Certificate of exemption before 1st July.*	
3	The amount of the precept request for 2026/27 is not recorded in the minutes	*The amount of precept requested should be stated in the council resolution of the minutes where the precept is decided.*	
4	**Accessibility** The Council website states it is partially conformant with WCAG 2.1 level AA. The Practitioners Guide states: '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 council needs to ensure the Accessibility Statement is updated and that the website is compliant with the Web Content Accessibility Guidelines 2.2 AA.*	

	Accessibility Regulations were incremented to WCAG 2.2 AA in October 2024.		
Follow up of 2024/25 internal audit recommendations			
1	Whilst the Council published a document titled 'Notice of conclusion of audit' before September 30th, it was not the standard form and it did not state the rights of inspection conferred on local government electors and the address at which, and the hours during which, those rights may be exercised.	*When the council is not exempt from audit, it must ensure that it publishes the correct 'Notice of conclusion of audit' that sets out the rights of inspection for electors.*	*Implemented*
2	Receipts and payments have both been overstated by £1304 due to a transfer between the current and deposit account being included as a transaction within the accounts.	*The annual return should be amended as follows:* ***Total other receipts £8,164*** ***Total other payments £11,301*** *Transfers between bank accounts should be treated correctly within the accounts software.*	*Annual return amended prior to internal audit signing of the annual return*
3	We could not identify approval in the minutes for the following payments: • Quality Roofing NW Ltd £2400 • Wellers Law Group PLP £610.80 We also could not identify authorisation by two signatories before payment.	*All payments should be approved as per the financial regulations of the Council.*	*Whilst all payments made are not listed in the Council minutes, a schedule of approved payments over £100 is now published on the website.*

	We note that both payments were later refunded by the village Hall.		
4	The following assets have been added to the asset register in 24/25, however the assets were already in the asset register. The asset value is therefore overstated: Captain Tom Trail Equipment £5219 Computer hardware £366.65 Computer hardware £366.65 Total = £5952.30 The asset register should therefore show total assets for 2024/25 of £62,555.89	*The asset register should be updated to remove the duplicate entries.* *The annual return should be amended as follows:* ***Total fixed assets = £62,556***	*Annual return amended prior to internal audit signing of the annual return*
5	Minor difference identified in the bank reconciliation. • Santander bank balance is 92p different from the balance shown in the bank reconciliation. This does not alter the balance carried forward which remains as £5,983.	*Th Council must ensure that Scribe is updated for the interest received in the Santander account.*	*Implemented*
Follow up of 2023/24 internal audit recommendations			
1	The Council has incurred significant expenditure during the year on the refurbishment of toilets and the purchase of chairs for the village hall. Funding for these items has been provided by Pulford Village Hall and the VAT	***The council should secure the input of a specialist Local Government VAT adviser to review VAT issues at the council and to secure written guidance as to the amount of VAT that can be reclaimed in respect of***	*Implemented.*

	reclaimed has been paid back to the village hall. The Council owns the village hall which is leased to the Village Hall Committee (99 year lease at £50 per annum). The invoices have been made out to the Parish Council and funding for the toilet refurbishment at a cost of £19,840 plus VAT has been partly through CIL monies (that were originally transferred to the Village Hall and then repaid to the Council) and by fundraising by the Village Hall Committee. The order for chairs for the village hall at a cost of £5816.65 was placed by the Council and the invoice was made out to the Council. We have not seen evidence that three quotes were obtained before the order was made. The chairs for the Village Hall do not appear on the asset register of the Council.	***the significant contract expenditure relating to the village hall.*** ***Contracts in excess of the quotations threshold in the Financial Regulations must be procured in accordance with Financial Regulations requirements.***	
2	The asset register has been transferred to the scribe accounting software but the total fixed assets is incorrect due to the following errors: • Some assets valued at £1 in the previous asset register because they were community or gifted assets are recorded in the scribe asset register but have a nil value. JPAG	*The asset register should be reviewed for the following:* • *Duplicate entries should be removed.* • *The £1 valuation of assets now listed as nil should be reinstated.* • *The speed limits sign should be included in the total assets*	*Asset register and annual return amended prior to internal audit signing of the annual return*

	Practitioners guide advises that these assets should be valued at a proxy cot of £1. • £5944.30 of assets have been entered in the asset register more than once. • The speed limits sign valuation of £1746.30 has not been carried forward to the annual return total.	*cost.*	
3	An annual risk assessment is displayed on the council website and is dated May 2023, however Council approval of the risk assessment is not recorded in the council minutes during 2023/24.	*The risk assessment must be formally approved by Council annually.*	*Implemented*
4	The payments made after October 2023 have not been approved by council within the minutes or accompanying report.	*The minutes should record approval of payments by Council.*	*Implemented for most payments.*
5	Staff costs on the annual return is incorrect as it includes the charge to the payroll agent and excludes the salary payments made in relation to the new clerk. The correct balance should be £1047.	*The annual return should be amended as follows:* *Staff costs £1,047* *Total other payments £50,851*	*Annual return amended prior to internal audit signing of the annual return*