



Pontesbury Parish Council

Internal Audit 2025/26

Year-end Audit

JDH BUSINESS SERVICES LTD

Registered to carry on audit work by the Institute of Chartered Accountants in England and Wales

PONTESBURY PARISH COUNCIL
2025/26 YEAR-END INTERNAL AUDIT REPORT

The internal audit of Pontesbury Parish Council is carried out by undertaking the following tests as specified in the AGAR Annual Return for Local Councils in England:

- 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 been 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 been 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
- Reviewing the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements
- Reviewing public notice and publication requirements

The internal audit provides evidence to support the annual internal audit conclusion in the AGAR Annual Return for local councils.

Conclusion

On the basis of internal audit work carried out, which was limited to the tests above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, except for the recommendations 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
2025/26 year-end internal audit			
1	<p>Accessibility</p> <p>The Council website states it is partially conformant with WCAG 2.1 level AA.</p> <p>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).’</p> <p>Accessibility Regulations were incremented to WCAG 2.2 AA in October 2024.</p>	<p><i>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.</i></p>	
2025/26 interim internal audit			
1	<p>We have not seen evidence for the public toilet refurbishment contract that three quotes were sought before the awarding of the contract (as required by the financial regulations).</p>	<p><i>If three quotes are requested but only one obtained, this should be recorded in the council minutes when the contract is awarded.</i></p>	<p>Evidence was provided by the Council that a formal tender process was followed for the public toilet refurbishment contract.</p>

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	ISSUE	RECOMMENDATION	FOLLOW UP
2024/25 year-end internal audit			
1	<p>The following item has been added to the asset register at the gross purchase cost (including VAT):</p> <p>Solar panels and batteries £23,700</p> <p>Items should be added to the asset register at the net purchase costs which for this asset was £19,750.</p> <p>Two laptops were purchased in 24/25 at a cost of £598 and have not been added to the register.</p>	<p><i>Assets should be added to the asset register at the purchase cost net of VAT.</i></p> <p><i>The asset register should be updated for assets and disposals in the year.</i></p>	<p>Implemented</p> <p>Implemented</p>
2024/25 interim internal audit			
1	<p>Budgetary Control:</p> <p>The newly adopted Financial Regulations do not contain any controls over budget virements or budgetary control reporting as currently the new FRs state only the following:</p>	<p><i>The council should ensure that appropriate internal controls over virements and budgetary control reporting are incorporated into the adopted Financial Regulations.</i></p>	<p>Implemented</p>

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	ISSUE	RECOMMENDATION	FOLLOW UP
	<p><i>4.10. The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned.</i></p> <p>The previous model Financial Regulations contained both detailed controls for virement authorisations and budgetary control reporting as follows:</p> <p><i>4.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the council, or duly delegated committee. During the budget year and with the approval of council having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').</i></p> <p><i>4.8. The RFO shall provide quarterly the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned</i></p>		

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	<p><i>as shown in the budget. These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose “material” shall be in excess of £xxx or xx% of the budget.</i></p>		
2	<p>The council did not carry out an annual physical verification of fixed assets recorded in the asset register as required by the following Financial Regulation:</p> <p><i>16.2. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date, with a record of all properties held by the council, their location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held, in accordance with Accounts and Audit Regulations.</i></p> <p><i>16.3. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.</i></p>	<p><i>The Financial Regulations for fixed assets should be complied with and evidence should be retained for the annual asset verification check for audit purposes.</i></p>	Implemented

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	ISSUE	RECOMMENDATION	FOLLOW UP
3	<p>There is no income collection/debt write off policy to ensure there is an agreed consistent approach to income collection and the procedures to follow with older debts including write offs.</p> <p>Aged debtor reports are not provided periodically to council to provide management information about the age profile of debtor balances.</p>	<p><i>The council should consider establishing an income collection/debt write off policy to ensure a consistent approach to debtors.</i></p> <p><i>Management information provided to council could be improved by providing the aged debtor report at least annually so council can review income risks in terms of whether the levels of older debtors is significant.</i></p>	Implemented
4	<p>The minutes for the full council meeting on 8/4/24 approve payments totalling £22,884.66. The schedule of payments has not been published on the website.</p>	<p><i>The schedule of payments approved should be either published on the website along with the agenda or a signed copy should be provided detailing the payments that have been approved at the meeting.</i></p>	Implemented