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2025/26 Internal Audit Report for Appleford Parish Council

From Jane Olds – Internal Auditor

I reviewed the documents provided and met with the Clerk, Judith McCarthy, on 2 March via Teams and finalised the information on 6 May.

BASIS OF REPORT

This internal audit report is based upon the Smaller Authorities Proper Practices Panel (formerly the Joint Panel on Accountability and Governance) [Practitioners' Guide 2025](#) publication.

The scope of this internal audit is focused on assessing the effectiveness of the Council's internal controls and was outlined in the original Letter of Engagement. Where any such controls are found to be deficient, the internal audit will help lead to improvement in those processes.

By applying the principles of internal auditing outlined in the current Accounts and Audit Regulations and applying the approach to internal audit testing outlined above, every effort is made to ensure that all internal audits are conducted with due professional care, integrity and independence. All conclusions derived from the audit are based upon objective and traceable evidence.

Please note: it would be incorrect to view internal audit as the detailed inspection of all records and transactions of the Council in order to detect error or fraud. Internal Audit is the periodic independent review of a Council's internal controls resulting in an assurance report designed to improve effectiveness and efficiency of the activities and operating procedures under the Council's control. Managing the Council's internal controls should be a day-to-day function of the staff and Councillors and not left for internal audit. (Source: *Practitioners' Guide 2025* – Section 4).

	Process	Findings	Recommendations and actions
A	Bookkeeping Arrangements	Appropriate books of account have been kept properly throughout the year using Scribe accounting software and are well maintained with sound audit trails.	Include the Power to spend in Scribe.
A	Minutes	Minutes for the year are complete and have been signed / initialled as approved by the Chair of the following meeting.	Keep a separate minute book.

	Process	Findings	Recommendations and actions
B	Council's Financial Regulations and Standing Orders are in place and were reviewed	The Council's Financial Regulations were reviewed at a meeting on 15 May 2025. The Council's Standing Orders were reviewed at a meeting on 15 May 2025.	The Financial Regulations published on the website appear to be the model version with no council 'personalisation'. The document must be updated as soon as possible. The Standing Orders also have a few square brackets included which generally indicates that the Council needs to make a decision on an element; particularly regarding 13 e.
B	Council's Financial Regulations have been met with regard to expenditure following review of a random sample of transactions	The Council's Financial Regulations have been met in that appropriate authorisations have been given for each level of expenditure. Payments were supported by invoices, and expenditure was approved and VAT appropriately accounted for.	Ensure that all agreements for orders are minuted by Council prior to the payment being made. Further advice can be provided.
B	Payment process	Payments are presently made by bank transfer, approved and minuted prior to payment with 3 Councillors on the banking mandate.	No further recommendations.
B	Debit card payments	The Clerk is awaiting receipt of a debit card. However, it is understood that the maximum spend amount is only £100. This would not be adequate even to buy two sets of defibrillator pads.	Consider an approval amount of £250. A debit card policy confirming the expenditure amounts should be adopted.
B	Review of S137 expenditure	There is a column for S137 expenditure in the Scribe accounting software, as required. No donations have been made this year.	No further recommendations.
B	General Power of Competence	The Council has not adopted GPC.	No further recommendations.
C	Review of Internal Controls	The Council has adequate Internal Control provision including a policy and a Councillor Responsible for Internal Financial Control – Cllr O'Brion.	Provide a checklist which can assist the Councillor with the checks.

	Process	Findings	Recommendations and actions
C	Review of Risk Assessment	While there is a document dated May 2025 on the website, there is no evidence that the Council has assessed the significant risks to achieving its objectives using their Risk Assessment in the May Minutes.	The Council MUST assess the risks facing the authority and should record the assessment in the Minutes. The Council should consider its response to Assertion 5.
C	Review of insurance	Insurance was reviewed at a meeting on 15 May ready for renewal on 31 May.	Ensure that the insurance provision is reviewed annually – even if it is to ensure that the cover for the Council’s assets is still adequate.
D	25/26 Budget and Precept consideration	The 25/26 Precept requirement resulted from an adequate budgetary process which was agreed on 9 January 2025 with the amount £24,000.	Ensure that the budget (both expenditure and income) is presented and considered with the amount recorded prior to the consideration of the Precept. Both should be minuted to demonstrate the requirement.
D	26/27 Budget and Precept consideration	The 26/27 Precept was presented at a meeting on 8 December 2025 with the amount £24,000. However, the budget requirement was not recorded.	See above.
D	Budget monitoring	Progress against the budget was monitored.	Review a budget monitoring report at least quarterly.
D	Reserves were appropriate	Reserves were accounted for in Scribe.	Adopt and publish a Reserves Policy.
D	The final outturn is in line with expectations	The final outturn was materially in line with expectations.	No further recommendations.
E	Income controls	Expected income was fully received and properly recorded. The correct Precept amounts were received and match the Government’s report.	Ensure that income as well as expenditure is minuted.
E	VAT	VAT had been appropriately accounted for and the reclaims had been made in May 25 and March 26.	No further recommendations.
F	Cash controls	Petty cash is not operated by the Council.	No further recommendations.
G	Payroll controls	Salaries to employees were paid in accordance with Council approvals and with appropriate deductions applied.	No further recommendations.

	Process	Findings	Recommendations and actions
G	HMRC Registration	The Council is registered with HMRC as an employer. Payments in respect of PAYE were verified.	No further recommendations.
G	Payroll rates	The current hourly rate of pay is based on the 2025/26 NJC National Salary Award (issued July 2025).	No further recommendations.
G	Home Working Allowance	The Home Working Allowance of £6 a week is not currently paid.	The Council should recompense the Clerk for the expenses of working from home – which includes the use of their own broadband, electricity and heating – or alternatively pay for an acceptable serviced office.
G	Pensions Regulator	The Council is registered and in compliance with the Pensions Regulator – the re-declaration was due to be made in July 26.	Ensure the redeclaration is completed in due course.
H	Asset Controls - all material assets correctly recorded	The current asset register has correctly recorded all material Assets at purchase cost. The correct basis of valuation has been applied.	The Asset Register provided did not give the total value of the assets. A different report may be needed.
H	Asset Controls - all additions and removals correctly recorded	Additions in the year have been correctly recorded within the Cash Book and Register.	No further recommendations.
H	Asset Controls - all Deeds and Titles have been established and shown on register	Deeds and Titles are not currently published on the Register.	Establish and publish the land registry titles for the village hall and park / play area in the Asset Register.
H	Investment Registers	No investment register was required.	No further recommendations.
H	Loans	The Council does not have any loans.	No further recommendations.
I	Bank Reconciliations	Periodic and year-end reconciliations were properly carried out and reviewed.	No further recommendations.
J	AGAR Accounting Statements	The Accounting Statements prepared during the year were prepared on a Receipts and Payments accounting basis and were supported by an adequate audit trail.	No further recommendations.
J	AGAR Accounting Statements	Line 2 matched the Precept amount.	No further recommendations.

	Process	Findings	Recommendations and actions
J	AGAR Accounting Statements	Lines 2 and 3 equal the total receipts in the cashbook.	No further recommendations.
J	AGAR Accounting Statements	Line 4 only contains staff costs.	No further recommendations.
J	AGAR Accounting Statements	Lines 4, 5 and 6 equal the total payments in the cashbook.	No further recommendations.
J	AGAR Accounting Statements	Year-end bank statements match line 8 of the Accounting Statement.	No further recommendations.
J	AGAR Accounting Statements	Line 9 agrees to the value of the asset register.	No further recommendations.
K	Limited Assurance Review Exemption	The Council did not meet the exemption criteria.	No further recommendations.
L	Information published on website	The information is available.	No further recommendations.
L	The Council is in compliance with the Accounts and Audit Regulations 2015 regulation 13	The Council does not currently have five years of AGARs and associated documents published. Last year's minutes were extremely sparse on the consideration and acceptance of the Accounting Statements (section 1) and the Annual Governance Statement (section 2).	Five years of finance, and associated documents (such as minutes) should be included on the website to comply with Regulation 13 (2) (b) of the Accounts and Audit Regulations 2015. The Council must fully consider the AGAR and be able to answer all the Annual Governance questions at the meeting.
L	Compliance with the Transparency Code for Smaller Authorities 2015	While the Parish Council does not fall in to the criteria for Councils below the £25k threshold, it is good practice for Parish Councils above the threshold to comply.	
L	Expenditure over £100 is recorded on the Council website and with all information requirements	Available on the website up to October 2025.	Publish an annual list.
L	Section 1 Annual Governance Statement	Available on the website but not recorded in the minutes.	The Council should RESOLVE to agree to approve the Annual Governance Statement.
L	Section 2 Annual Accounting Statements	Available on the website and recorded in the minutes (minute reference: 15/5/25 11. b.)	The Council should RESOLVE to agree to approve the Accounting Statements.
L	Explanation of significant variances	Not currently available on the website	Publish the variances on the website.

	Process	Findings	Recommendations and actions
L	Explanation of difference between Box 7 & 8 if applicable	Not applicable.	No further recommendations.
L	Internal Audit Report Published	The text report is available on the website.	The AGAR must be published in full.
L	A List of Councillors' responsibilities	Available on the website.	Add a link to the District Council's register of members' interests page.
L	Details of Public Land and Building Assets	Available on the website.	No further recommendations.
L	Minutes and Agenda	Available on the website	No further recommendations.
M	Exercise of Public Rights for 24/25	The Parish Council published the exercise of public rights notice on the website and noticeboard with the following dates: 17 June to 28 July 2025. The notice was dated: 16 June 2025	Ensure that the dates cover 30 working days including the first ten working days of July.
N	AGAR publication Requirements	The Parish Council complied with the publication requirements for the 24/25 AGAR by publishing Sections 1 and 2 on the website.	No further recommendations.
N	24/25 Internal Audit has been published, and the recommendations have been considered and actioned	The Internal Audit did not appear to be available on the website.	The Internal Audit recommendations must be reviewed and actioned.
N	24/25 External Audit Certificate has been published, and the recommendations have been considered and actioned	The Conclusion of Audit report had been received for 24/25 and recorded in the Minutes on 8 September. It had been published on the website before 30 September.	Take the recommendations from the External Auditor into consideration when responding to the 25/26 AGAR.
	EA findings	Rounding errors in the accounting records – which had also been noted the previous year. Therefore Assertion 7 should have received the response 'no'.	
		Consideration was not given to both Section 1 and Section 2 of the AGAR at the May meeting.	
		Ensure that the Minutes reflect the responses. Take this into consideration when completing Assertion 1 of the 25/26 AGAR,	

	Process	Findings	Recommendations and actions
O	Website domain name and accessibility	The Council has an authority owned domain name: https://appleford-pc.gov.uk/ The website has an Accessibility Statement and a Privacy Notice.	No further recommendations.
O	Authority owned email accounts to align with GDPR principles	The Council has council-owned domain email accounts for the Clerk and Councillors which are in use. The Council should be congratulated for the implementation of the new accounts.	No further recommendations.
O	IT Policy	The Council does not currently have an IT Policy to demonstrate protection of equipment and mandates for authority owned email accounts.	A template IT Policy is available from the Government Digital Service and is mentioned in the Practitioners' Guide. The Council should consider its response to Assertion 10 as it cannot be fully complied with.
O	Data protection	The Council is registered with the ICO (reference: ZB650865). However, an up-to-date publication scheme was not in evidence. There is a data protection policy (adopted in 2025). The Document Retention policy should be reviewed as it was last considered in 2022.	A publication scheme in line with the ICO model available on their website should be developed and adopted. Review the Document Retention and Disposal policy.
O	Transparency Code	See above	
P	Trust funds (If applicable) – the Council met its responsibilities as a trustee	The Parish operates as a Sole Trustee for one external body. Bank accounts are separate. The Charity Commission website will record the returns once the CIO has been finalised.	Ensure that all the charity commission compliance requirements are considered.

Further Recommendations:

Following the completion of the Internal Audit, the Council should undertake a review of effectiveness as per Regulation 6 of the Accounts and Audit Regulations 2015. A blank form can be supplied.

Training

The Clerk and the Councillors should be encouraged to take up the training offered by OALC and SLCC to increase their knowledge and expand the Clerk's professional development. The Council should pay for all training and should also pay for the Clerk's membership of SLCC as it is of significant benefit to the Council.

Training should be included as a separate agenda item.

Minutes

Attendance at meetings. It is not necessary for any members of the public to have their names listed in the minutes or for apologies to be received from members of the public as they are simply spectators at a Council meeting held in public.

Any members of the public who are making a presentation to the meeting on behalf of an organisation can be listed as the representative of the organisation.

Presentation of the minutes should be considered, particularly in relation to the use of tables which do not generally comply with the accessibility requirements of the website. The final version of the minutes on the website does not need to include the approval signature; a PDF document exported from Word will be more appropriate and accessible. I further recommend that Councillor names are used rather than initials in minutes – ie Cllr Shepherd – not VS.

The Council should be reminded that all items for decision must have a formal agenda item.

I recommend using a screen reader for demonstration purposes.

For information, the Annual Parish Meeting is a completely separate meeting from the Annual Meeting of the Parish Council. The APM minutes get signed at the next Annual Parish meeting.

Document Management

As mentioned last year, I noted many of the recent Parish Council Minute books are in the Parish. As these books are the only record of the meetings and should be kept in perpetuity, I strongly recommend that just the last five years or so are kept with the Clerk, with the rest being deposited with the County Archive for safety. A review of other documents, both paper and electronic, should also be undertaken using the Document Retention policy.

Reserves

As mentioned last year, I recommend that the Council adopts a Reserves policy.

GDPR / Information Publication Scheme

As mentioned above, and last year, I noted that the Council had registered with the Information Commissioner, but a publication scheme was required. I have put the link to the model publication scheme above.

The Council (as well as the Clerk) should be aware of its responsibilities regarding GDPR. I recommend that all Councillors regularly refresh their understanding using the GDPR awareness checklist which is available in the Advice section of the SLCC website.

Finance management

While the Council is starting to get on the right tracks with the financial management, I recommend that reviews are undertaken more frequently.

The Council should ensure that a finance report is provided to each meeting with the information recorded in the minutes. Payments should be considered at a meeting and then paid – unless absolutely necessary; this will avoid duplication or errors. Guidance on a Finance Report can be given.

Scribe provides more flexibility for financial management. I recommend using the facility to include the Power and the minute reference where the item was agreed to be undertaken / purchased.

Hall management

I noted that the hall management had gone through a challenging period over the last year. With the creation of the new management structure and CIO, I hope that the Council will have fewer responsibilities in the future.

Conclusion

The above are recommendations to help the Council improve its processes and in no way detract from the work it, and the Clerk, has already done.

I have noted that actions which I recommended last year have been completed; the Clerk and Council should be commended for this.

Appleford on Thames Parish Council has an electorate in the region of 289 and the Precept for the year 25/26 was set at £24,000.

In general, I believe that the Council has competent arrangements in place to satisfy itself that its systems of internal financial control are transparent and effective. There are approval and authorisation controls to minimise risk. The audit and management trail for financial transactions is good.

This report should be included on the agenda for the next meeting of the Council and used to aid consideration of the Council's responses to the AGAR Annual Governance Statement.

I hope that this report is of help to the Council. If you would like any further assistance or clarification, please do contact me.

Jane Olds

Jane Olds
Internal Auditor