AUDITING SOLUTIONS LTD

Hinxton Parish Council

Internal Audit Report 2025-26

Sally King

For and on behalf of
Auditing Solutions Ltd

Background

Statute requires all town and parish councils to arrange for an independent internal audit examination of their accounting records and systems of internal control, and for the conclusions to be reported each year in the Annual Governance and Accountability Return (AGAR).

We have undertaken our review for the year remotely: we wish to thank the Clerk for assisting in the process, providing all necessary documentation in electronic format to facilitate completion of our review for the year and sign off the Internal Audit Certificate in the year's AGAR.

This report records detail of the work undertaken in respect of the 2025-26 financial year and which was concluded at our office on 2nd June 2026.

Internal Audit Approach

In undertaking our review for the year, we have had regard to the materiality of transactions and their susceptibility to potential mis-recording or misrepresentation in the year-end Statement of Accounts / AGAR. We have again employed a combination of selective sampling techniques (where appropriate) and 100% detailed checks in the required key areas to gain sufficient assurance that the Council's financial and regulatory systems and controls are appropriate and fit for the purposes intended.

Our programme is also designed to facilitate our completion of the 'Internal Audit Report' in the Council's AGAR process which requires independent assurance over several internal control objectives.

Overall Conclusion

We have concluded that, based on the programme of work undertaken, the Council has maintained adequate and effective internal control arrangements during the year. Consequently, we have completed and signed the 'Internal Audit Report' as part of the year's AGAR process having concluded that, in all significant respects, the internal control objectives set out in that report were achieved throughout the financial year to a standard adequate to meet the needs of the Council.

We have completed and signed the 'Annual Internal Audit Report' in the 2025-26 AGAR assigning positive assurances in each relevant area.

This report has been prepared for the sole use of Hinxton Parish Council. To the fullest extent permitted by law, no responsibility or liability is accepted by Auditing Solutions Ltd to any third party who purports to use or rely, for any reason whatsoever, on this report, its contents or conclusions.

Detailed Report

Maintenance of Accounting Records & Bank Reconciliations

Our objective has been to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in cashbooks or financial ledgers. The Council continues to use the Scribe accounting package to manage its accounts, reporting on a receipts and payments basis.

The Council operates both a current and two savings bank accounts with Lloyds Bank PLC.

To ensure the appropriateness and accuracy of the recording of transactions, we have:

- Confirmed the accurate carry-forward of prior year closing balances.
- Ensured that an appropriate coding structure is in place within the Scribe software.
- Checked the current account bank statements to the list of transactions provided for the whole of the financial year.
- Verified the combined bank reconciliation detail as of 31st March 2025 within Scribe.
- Ensured the accurate disclosure of the disclosure of the combined bank balances in the year's detailed Statement of Accounts and AGAR.

Conclusion

We are pleased to report that no matters have arisen in this area of our review process warranting formal comment or recommendation; we have ensured the accuracy of the year-end balances reported in the detailed Statement of Accounts and AGAR.

Review of Corporate Governance

Our objective is to confirm that the Council has a robust regulatory framework in place; that Council meetings are conducted in accordance with the adopted Standing Orders and that, as far as we are reasonably able to ascertain, no actions of a potentially unlawful nature have been or are being considered for implementation.

Consequently, we have reviewed the minutes of meetings held during 2024-25 the principal aim being to consider whether any issues exist that may have an adverse effect on the Council's financial stability in the short, medium, or longer term, also that there is no indication that the Council may either be considering or have taken decisions that might result in ultra vires expenditure being incurred.

It was noted that Standing Orders and Financial Regulations were reviewed and re-adopted at the extraordinary meeting held on 23rd March 2026 (minute ref. 2603a/07).

Finally, we also note that the Council certified itself exempt from a limited assurance review in 2024-25 but will be having the review in 2025-26.

Conclusions

We are pleased to record that no issues arise in this area this year warranting formal comment or recommendation.

Review of Payments

We reviewed the procedures in place for receiving invoices, checking their authenticity, accurate detail recording, processing by the Clerk and formal approval for payment by members.

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and budgets;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- Members have met their fiduciary duties approving release of each payment in accordance with extant legislation;
- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount;
- The correct expense analysis has been applied to invoices when processed; and
- VAT has been appropriately identified.

To ensure compliance with the above criteria, we have examined a sample of the payments processed in the financial year to the transaction reports provided.

Conclusions

We are pleased to record that no issues arise in this area this year warranting formal comment or recommendation.

Assessment and Management of Risk

Our objective is to confirm that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and operational/health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks to minimise the opportunity for their coming to fruition. We have noted that:

- An appropriate Risk Register is in place, which we are pleased to acknowledge was reviewed by the Council at the extraordinary meeting held on 23rd March 2026 (minute ref. 2603a/07).
- Annual RoSPA reviews of the playground equipment are being undertaken with appropriate remedial action approved by the Council.

- The Council's insurance cover is provided by Clear Council. In our view, the current level of cover in place, with Public and Employers Liability both in place at £10 million and Fidelity Guarantee cover of £250,000, is appropriate to the size of the Council.

Conclusion

No issues arise in this area this year warranting formal comment or recommendation.

Review of Income

In 2025-26, the income received by the Council, other than the annual precept, was allotment income, bank interest and recoverable VAT, it also received S106 monies of £82,793.16.

We have checked and agreed in full the cashbook transactions to bank statements for the financial year.

Conclusion

We are pleased to record that no issues have been identified in this area requiring formal comment or recommendation.

Review of Staff Salaries

In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the Employee Rights Act 1998 and the requirements of HM Revenue and Customs (HMRC) legislation as regards the deduction and payment over of income tax (PAYE) and National Insurance Contributions (NIC).

The Clerk is the only employee, payroll service to the Council is provided by Yorkshire Tax Bureau, who make the necessary returns to HMRC using the RTI software and provide details to the Council regarding the payments to be made to the Clerk and HMRC

Conclusion

We are pleased to record that no issues have been identified in this area requiring formal comment or recommendation.

Budgetary Control and Reserves

Our objective is to confirm that the Council has a robust procedure in place for identifying and approving its future budgetary requirements and the level of precept to be drawn down from the District Council: also, that an effective reporting and monitoring process is in place. We also consider whether the Council retains appropriate funds in general and earmarked reserves to finance its ongoing spending plans, whilst retaining appropriate sums to cover any unplanned expenditure that might arise.

We note that, following due consideration, the Council formally approved and adopted a precept for 2026-27 of £16,585 the same as the 3 previous years at the full Council meeting held on 10th November 2025 (minute ref. 2511/08).

We are pleased to note that members routinely receive an update on bank balances, income received, and details of payments made in the month or due to be approved.

- At the year-end, the total balances and reserves stood at £116,427 of which £90k is earmarked for the village hall extension.

Conclusions

We are pleased to record that no issues have been identified in this area requiring formal comment or recommendation.

Asset Registers

The Governance and Accountability Manual require all councils to develop and maintain a register of assets identifying detail of all land, buildings, vehicles, furniture, and equipment owned by the Council.

We are pleased to note that the Council has prepared a detailed asset register using the Scribe software. The asset register has been updated in the 2025-26 financial year.

Conclusions

We are pleased to report that there are no significant issues arising in this area of our review process warranting formal comment or recommendation. We have ensured the appropriate recording of these assets in the AGAR.

Petty Cash Account/Clerk's Expenses

The Council does not operate a petty cash account. Any out-of-pocket expenses incurred by the Clerk in connection with her work for the Council being claimed through expenses.

Investments and Loans

The Council has no loans repayable either to or by it, nor are any funds held in long-term investments.

Statement of Accounts and AGAR

The Accounts and Audit Regulations 1996 (as amended periodically) required councils to prepare a formal Statement of Accounts and supplementary Supporting Notes. With effect from March 2011, the AGAR now forms the only statutory Accounts of the Council that are subject to external audit review and certification.

We have checked and agreed entries in the Statement of Accounts generated to the accounting software reports and other documentation provided. Similarly, we have checked and agreed the financial data reported to the AGAR.

Conclusions

No issues have been identified in relation to the verification of detail in the Statement of Accounts and AGAR this year.

Based on our detailed work during the year on the Council's systems of financial control and content of the detailed Statement of Accounts and that summarised detail set out in the AGAR, we have signed off the Internal Audit Report of the AGAR assigning positive assurances, in each relevant area.