**INTERNAL AUDIT**
Outlined below is an overview of the 10 Assertions within the Practitioners Guide 2025. Each of these are dealt with under the relevant Governance sections contained in Section 1 of the AGAR:

AGS Assertion 1 — Financial management and preparation of accounts
- Accounting Records and supporting documents:
- Bank reconciliation:
- Budget setting:
- Investments:
- Reserves:
- General Reserves:
- Earmarked and other reserves:

AGS Assertion 2 — Internal control
- Standing Orders and Financial Regulations:
- Safe and efficient arrangements to safeguard public money:
- Employment:
- VAT
- Fixed assets and equipment:
- Loans and long-term liabilities:

AGS Assertion 3 — Compliance with laws, regulations and proper practices
- Acting with its powers:

AGS Assertion 4 — Exercise of public rights

AGS Assertion 5 — Risk management

AGS Assertion 6 — Internal audit

AGS Assertion 7 — Reports from auditors

AGS Assertion 8 — Significant events

AGS Assertion 9 — Trust funds (local councils only)

AGS Assertion 10 — Digital and data compliance

The following headings are based on Section 1 – Annual Governance Statement.

**A. Appropriate accounting records have been properly kept throughout the financial year.**

The Parish Clerk is the RFO. **Recommend** that this is clearly stated on the Council's website for transparency.

The roll over figure is £23,068 (Box 7).

The Council maintains its accounts using a spreadsheet. A sample of the financial transactions between 1st April and 31st March 2026 has been undertaken. The following checks were carried out:

- A review of the cashbook against the bank statements and invoices paid;
- A sample of Payments have been checked against the bank statements to verify accuracy;
- Expenditure incurred is appropriate.

There is a proper process in place to ensure that financial information is correctly recorded and reported to Council as part of its governance procedures. Procedures are included in the Financial Regulations. A copy is available on the Council website.

A Financial report is presented to Council at each meeting. This the bank reconciliation, cashbook and budget monitoring. Approvals are minuted in the Council minutes and payment is via online banking. All payments are authorised by one Councillor.

The Council has a Risk Management Strategy in place which is available on the website.

There is appropriate segregation in place and an adequate process to enable the detection and identification of potential fraud.

The year end bank reconciliation has been completed. This was referenced back to the bank statements. The final balance held by the Council amounts to £10,382.91 as at 31st March 2026

**The Council has met this control objective.**

**B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.**

Tenders and Contracts are governed by Financial Regulations. All contracts being tendered should be published on the Parish Council's website as well as the Find a Tender portal where required.

The following quotations and tenders were undertaken in the 2025/26 financial year:

- Allotment fencing
- Allotment shed
- Allotment car park

Both Standing Orders and Financial Regulations are based on old versions of the basic NALC templates. The limits between the two documents do not match.

**It is strongly recommended that Council reviews both Standing Orders and Financial Regulations and brings them up to date. Current versions include EU financial limits which have been superseded by the Procurement Act 2023. Standing Orders do not include recent legislation such as the Data Protection Act 2018.**

The invoices procedure is as follows:

- On receipt of invoice Clerk checks for accuracy;
- All payments are processed ready for approval;
- Invoices are date stamped;
- Invoices are saved electronically;
- Payment schedule presented at each meeting for approval;
- Payments ratified at each meeting;
- Clerk uploads transactions on banking app and all payments are approved by a Councillor.

There is appropriate segregation in place.

During the year two VAT claims have been made, one for £4,954.33 and the other for £544.29. Accurate VAT records are maintained.

The Council does not have a credit or debit card in place.

The Council does not have General Power of Competence in place.

**The Council has met this control objective.**

**C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.**

The Council has a Risk Management Policy in place. (5 Bagby and Balk Parish Council Risk Assessment 2025.pdf)

An Asset Register is in place and is published on the website. The value of assets meets Box 9 of the AGAR: £46,032.

The Council is insured with Zurich Policy Number YLL-2720925953. Cover runs from 15/11/25 to 14/11/26. Includes Fidelity Guarantee of £250,000.

A review of the insurance policy has been undertaken and Council is adequately insured.

The Council is not responsible for any play areas.

The Council has adequate internal controls in place to ensure that it carries out its day-to-day business effectively and efficiently.

**The Council has met this control objective.**

**D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.**

At its meeting held on 13th November 2024 Full Council formally approved the budget and the setting of a precept. (Minute 2024.11.89). Precept Resolved was £12,000.

*2024.11.89 To Note or Approve and Finance and Governance issues. 1. To Consider the 2025/26 Budget Report and Set Budget for 2025/2026 Councillors considered the Clerks budget report and discussed the various options for the budget 2025/2026. When setting the budget in November 2023, Councillors committed to a one-off increase to cover the startup costs for the allotment project and all very much supported a reduction for 2025-2026. It was AGREED to set the 2025/26 Budget based on the revised precept amount of £12,000 which represents a reduction of 23%. The revised budget was approved and will be published on the website 2. To Agree the Precept level for 2025 A precept amount of £12,000 was Agreed.*

It has been confirmed that a precept of £12,000 was requested. Bagby £10,652 (MHCLG Parish Code E2702P035) and Balk £1,348 (MHCLG Parish Code E2702P038)

Budget monitoring is undertaken on a monthly basis and signed off by Full Council.

The Council had set up Earmarked Reserves mainly for the allotment improvements but these have been spent during the year.

The Council has an adequate General Reserve to meet the current recommendations in place, with specific allocated EMRs also in place.

The Council had the following Bank Statement Balances as at 31st March 2026:

| ACCOUNT | AMOUNT |
|---|---:|
| Unity Trust Current A/C | £8,163.47 |
| Unity Trust Savings A/C | £2,219.44 |
| **TOTAL** | **£10,382.91** |

**The Council has met this control objective.**

**E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.**

The Council has no aged debtors.

T The Council manage an allotment site with 10 plots. A copy of the template tenancy agreement has been reviewed. Work has been undertaken during the year to upgrade the car park.

The Council is not a burial authority.

The Council does not hire out any venues.

The Council does not have any leases in place.

Council's other income for 2025/26 included bank interest, donations, CIL income and rent for Welham Field.

**The Council has met this control objective.**

**F. Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.**

The Council does not operate a petty cash system and did not make any cash payments during the financial year.

**The Council has met this control objective.**

**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.**

The Clerk has a contract of employment in place based on the NALC model.

Member do not receive a members' allowance.

A sample of staff salaries has been checked and confirmed. Gross pay is calculated in accordance with the relevant NJC scale. Tax codes are included on the payslips and deductions properly calculated.

Payroll is undertaken using an external contractor.

No Pension contributions are made.

A test sample was undertaken and it was confirmed that the correct net pay was paid to the employee with tax and NI contributions correctly deducted.

**The Council has met this control objective.**

**H. Asset and investments registers were complete and accurate and properly maintained.**

An Asset Register is in place and has been reviewed. Asset purchase cost is recorded and additional information is included where appropriate. A copy is available from the website.

**Note: Asset purchase costs should be recorded exclusive of VAT as VAT would have been claimed back at the time of purchase. Please amend the asset**

**register and deduct any VAT included. Ensure that the year end Asset Register is reflective of the capital costs less VAT.**

The current Asset Register includes a number of additions as well replacement values and date of purchase.

A comparison of the insurance schedule against the asset register has been undertaken. Council has adequate insurance cover in place.

Council has no long-term investments in place.

Council has does not have any loans in place.

**The Council has met this control objective.**

**I. Periodic bank account reconciliations were properly carried out during the year.**

Bank reconciliations are prepared on a monthly basis, reported to Full Council and signed off by Full Council.

**The Council has met this control objective.**

**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.**

Accounts are maintained on a receipts and payments basis.

**The Council has met this control objective.**

**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. (If the authority had a limited assurance review of its 2024/25 AGAR tick "not covered").**

Council certified itself as exempt from a limited assurance review. The certificate of exemption has been uploaded onto the Council's website.

Council minuted its exemption at its meeting held on 11th June 2025.

**The Council has met this control objective.**

**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.**

The following information should be published on the Parish Council's website under the Smaller Authorities Transparency Code (SI/SR Template)

**Expenditure exceeding £100**
Local authorities must publish details of each individual item of expenditure that exceeds £100. Published

**End of year accounts**
Annual publication no later than 1 July in the year immediately following the accounting year to which it relates. Published

**Annual governance statement**
Annual publication no later than 1 July in the year immediately following the accounting year to which it relates. Published

**Internal audit report**
Annual publication no later than 1 July in the year immediately following the accounting year to which it relates. Published

**List of councillor or member responsibilities**
Annual publication of councillor or member responsibilities no later than 1 July in the year immediately following the accounting year to which it relates. Published.

**Location of public land and building assets**
Annual publication no later than 1 July in the year immediately following the accounting year to which it relates. Parish councils and port health authorities to publish details of all public land and building assets – either in its full asset and liabilities register or as an edited version. Published as part of the asset register.

**Minutes, agendas and papers of formal meetings**
Publication of draft minutes from all formal meetings not later than one month after the meeting has taken place. Publication of meeting agendas and associated meeting papers not later than three clear days before the meeting to which they relate is taking place. Published

**The Council has met this control objective.**

**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).***

The publication requirements were met. The Notice states 12th June to 24th July 2025. This meets the statutory 30 day requirement.

Council formally minuted the Public Notice at its meeting held on 11th June 2025 (Minute 3). **Recommend that the dates be included in the minute in future.**

**The Council has met this control objective.**

**N. The authority has complied with the publication requirements for 2024/25 AGAR.**

Publication Requirements Under the Accounts and Audit Regulations 2015, Authorities must publish the following information on the authority website/webpage: Before 1 July 2025 authorities must publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited: Published
- Section 1 - Annual Governance Statement 2024/25, approved and signed, page 4: Published
- Section 2 - Accounting Statements 2024/25, approved and signed, page 5: Published

It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report. Published.

**The Council has met this control objective.**

**O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.**

Council has a .gov.uk email addresses for its Clerk/RFO. Council meets best practice advice by having a .gov.uk domain for its email account. Its website domain is a .co.uk domain. **Noted that Council has agreed to move the website domain to the .gov.uk domain.**

The Council has adopted an IT policy as required. It is available to download from the website.

The Council does not have an Accessibility Statement in place. **Recommend that Council develops an accessibility statement for its website.**

**Note** that since September 2020, all parish and Parish councils must have a website that complies with Website Content Accessibility Guidelines (WCAG). As from October 2024 that rating level changed from WCAG2.1 AA to WCAG2.2AA so that it meets Accessibility Guidelines as set in the Public Sector Bodies Accessibility regulations.

It has been confirmed that Bagby and Balk Parish Council website does not currently comply with WCAG 2.2 AA. It achieves 47% and is considered critical: Scan Results — CompliaScan

Accessibility has been reviewed and the parish council section of the website scores 8.9 out of 10. WAVE Report of Bagby and Balk Parish Council

**Recommend that Council contacts its web provider to ensure it meets the accessibility requirement.**

Data Protection requirements:

- Data Protection Officer – Parish Clerk.
- Data Audit: Completed
- Training for staff and Councillors: Being undertaken.

- Data Protection Policy: In place
- Secure data to protect it from Data Breaches: Not in place.

The Council has the following data governance policies currently on its website:
- Privacy Notices
- Data Protection Policy
- Document Retention Policy
- FOI Publication scheme

**Council will need to ensure that the following requirements are met (Noted that this is currently being actioned):**
- Data Breach and Subject Access Request policies and procedures
- Ensure that both hard copy and electronic data have relevant protections in place. For hard copy records this will be identified by the audit. For electronic data it is recommended that your IT provider outlines what protections are in place, how often data is backed up and how it is stored. Ensure that all computers have some level of virus protection.

A Freedom of Information Policy has been adopted: 10 Bagby and Balk PC FOI Policy 2025.pdf

**The Council meets this control objective.**

**P. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.**
The Council is not a sole trustee.