

## Hill and Moor Parish Council

<https://hillandmoorpc.org.uk/> PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

**During** the financial year ended 31 March 2026, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2025/26 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
<b>A.</b> Appropriate accounting records have been properly kept throughout the financial year.	✓		
<b>B.</b> This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
<b>C.</b> This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
<b>D.</b> The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
<b>E.</b> Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
<b>F.</b> Cash payments were properly supported by receipts, all cash expenditure was approved and VAT appropriately accounted for.			✓
<b>G.</b> Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
<b>H.</b> Asset and investments registers were complete and accurate and properly maintained.	✓		
<b>I.</b> Periodic bank account reconciliations were properly carried out during the year.	✓		
<b>J.</b> 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.	✓		
<b>K.</b> 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. <i>(If the authority had a limited assurance review of its 2024/25 AGAR tick "not covered")</i>			✓
<b>L.</b> 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.	✓		
<b>M.</b> 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 <i>(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)</i> .	✓		
<b>N.</b> The authority has complied with the publication requirements for 2024/25 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	✓		
<b>O.</b> The authority has complied with laws, regulations & proper practices relating to digital and data compliance.	✓		
<b>P. (For local councils only)</b>	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).  
 Date(s) internal audit undertaken: 19/04/2026, 29/04/2026  
 Name of person who carried out the internal audit: G LUNGLEY

Signature of person who carried out the internal audit: [Signature] Date: 29/04/2026

**\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).**

**\*\*Note:** If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report **must** explain why not (add separate sheets if needed).

Gill Lungley, BA(Hons), FSLCC  
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# Hill and Moor Parish Council Annual Internal Audit Report 2025/26

Having been notified of the parish council's wish to continue as your Internal Auditor for the 2025/26 financial year, I have now completed my review of the parish council's accounts and governance procedures.

Included in this annual review is my understanding of those procedures and the end of year figures which support the completed Annual Internal Audit Report section of the AGAR for 2025/26. The signed copy is returned herewith.

The role of the Internal Auditor is to review systems rather than undertake detailed checks that are more appropriately the responsibility of the council. In this report where areas for improvement have been identified, they have been noted as recommendations under the heading of '**Comment**', please take note of these. Overall, the parish council appears to be working appropriately.

I confirm I have acted independently of the council to produce this report.

In general, I have found the records of the council's accounts and governance procedures to be well kept and would like to thank your Clerk, Carole Hirst, for their assistance in preparation of this report.

*G Lungley*

Gill Lungley  
Internal Auditor  
27/04/2026

## Introduction

The Accounts and Audit Regulations 2015 require all parish and town councils to prepare an Annual Governance and Accountability Return (AGAR). The process expects the council to conduct a review of the effectiveness of their system of internal control in accordance with proper practices relating to accounts, and appoint a competent, independent person to undertake an internal audit.

As part of that review process, Hill and Moor Parish Council has appointed me to undertake the annual internal audit. The role of the Internal Auditor is to look through the council's processes and procedures and, where necessary, make recommendations (here noted as '**Comment**') intended to support improvement of the Council's governance.

The primary objectives of Internal Audit are to:

- i. review, appraise and report upon the adequacy of governance and internal control systems operating throughout the council, for which I will adopt a predominantly systems-based approach; and
- ii. carry out an annual inspection of the books and records of the council.

## Scope of Work

In keeping with updated Proper Practices\*, I have checked the following key areas:

- A. Proper bookkeeping
- B. Payment controls in relation to Financial Regulations
- C. Risk management and Financial Internal Controls
- D. Budgetary controls
- E. Income controls
- F. Cash procedures (if applicable)
- G. Payroll controls
- H. Assets and investments
- I. Bank reconciliations.
- J. Accounting statements and application of spending powers
- K. Exemption criteria (if applicable)
- L. Website and transparency code
- M. Public Rights notice and dates
- N. Publication of previous AGAR
- O. Digital and data compliance (new)
- P. Review of the status of Trusts (if applicable)

**\*Please note:** Reference to "Proper Practices" is to the annual publication from the Joint Panel on Accountability and Governance (JPAG) Practitioners' Guide. In this case it refers to the amended edition for the financial year 2025/26, which is available online here: [file \(https://www.saaa.co.uk\)](https://www.saaa.co.uk) and any relevant updates since publication.

<b>AGAR certificate reference</b>	<b>Internal Audit action for expected controls</b> , as specified in ' <a href="#">Governance and Accountability for Smaller Authorities in England</a> ', March 2025	
<b>A.</b>	<b>Appropriate accounting records have been properly kept throughout the year.</b> It is noted the council uses an excel spreadsheet for the bookkeeping.	
	<b>(1) Roll forward</b> of the prior year cashbook balances to the new financial year. Box 7 2025 = £38,083 which is the opening balance to the 2025/26 financial year's bank reconciliations and as shown at Box 1, 2026.	✓

	<p><b>(2) Financial transactions in cashbooks relative to bank statements, etc:</b> the sample size dependent on the size of the authority and nature of accounting records maintained.</p> <table border="1"> <thead> <tr> <th>Inv. #</th> <th>Reason</th> <th>Net Amount</th> <th>Minutes</th> <th>bank</th> </tr> </thead> <tbody> <tr> <td>Row 4</td> <td>Fuel for playing field</td> <td>£45.73</td> <td>05/16b</td> <td>04/25</td> </tr> <tr> <td>Row 9</td> <td>WCALC subscription</td> <td>£476.91</td> <td>X</td> <td>04/25</td> </tr> <tr> <td>Row 30</td> <td>Handyman services</td> <td>£195.00</td> <td>07/9A</td> <td>06/25</td> </tr> <tr> <td>Row 39</td> <td>P/field improvements</td> <td>£1,625.00</td> <td>09/9A</td> <td>07/25</td> </tr> <tr> <td>Row 86</td> <td>P/field power</td> <td>£23.49</td> <td>01/9A</td> <td>11/25</td> </tr> <tr> <td>Row 111</td> <td>Asset purchase</td> <td>£555.95</td> <td>03/9A</td> <td>01/26</td> </tr> </tbody> </table> <p>Audit trail for each above followed via minutes approval decision where needed and minuted authorisation approval, copy of invoice, bank statement.</p>	Inv. #	Reason	Net Amount	Minutes	bank	Row 4	Fuel for playing field	£45.73	05/16b	04/25	Row 9	WCALC subscription	£476.91	X	04/25	Row 30	Handyman services	£195.00	07/9A	06/25	Row 39	P/field improvements	£1,625.00	09/9A	07/25	Row 86	P/field power	£23.49	01/9A	11/25	Row 111	Asset purchase	£555.95	03/9A	01/26	✓
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	<p><b>(3) Bank Reconciliations</b>  <b>Are bank reconciliations prepared routinely and subject to independent scrutiny and sign-off by members?</b>  The parish council meets every two months and a bank reconciliation, prepared by the Clerk, is agreed at each meeting and presented alongside the budget update.</p>	✓																																			
	<p><b>(4) Year-end bank reconciliation and accuracy of the combined cash and bank balances on AGAR s2, line 8.</b>  The council's year-end bank reconciliation complies with the cashbook and bank statements in accordance with AGAR s2, line 8.</p>	✓																																			
	<p><b>(5) Investment strategy if bank balances are more than £100,000.</b></p>	n/a																																			
<b>B</b>	<p><b>This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.</b></p>																																				
	<p><b>1. Review the procedures in place for acquisition of formal tenders and quotes, ensuring they are in line with the <a href="#">Standing Orders and Financial Regulations</a> which should be based on the latest version.</b>  The parish council has adopted Financial Regulations based on the NALC model document. Paragraph 5 refers to Procurement and the process to follow for obtaining formal tenders, quotes and estimates, all of which expect the Clerk / RFO to undertake the task.  The minutes of the meeting held 04/09/2025 record digression from the approved regulations.</p>	x																																			
	<p><b>2. Check there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments.</b>  Release of payments relies on two signatories; the Clerk arranges for each payment to be authorised by at least one other signatory and provides the relevant invoices and payment advice required to do so.</p>	✓																																			
	<p><b>3. Check VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements</b>  A VAT reclaim was made during the year and reimbursement from HMRC has been received.</p>	✓																																			

	<p><b>4. Where debit / credit cards are in use, establish the total monthly and individual transaction limits and ensure appropriate controls over physical security and usage of the cards are in place.</b></p> <p><b>Comment:</b> Not used.</p>	n/a
C	<p><b>This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</b></p>	
	<p><b>1. Ensure authorities have prepared, and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc</b></p> <p>The minutes of the meeting held 22/05/2025 record approval of the council's Risk Assessments, with the comprehensive document posted to the website.</p>	✓
	<p><b>2. Ensure appropriate levels of insurance cover are in place for land, buildings, public, employers' and hirers' (where applicable) liability, fidelity / employees (including councillors) liability, business interruption and cyber security</b></p> <p>Insurance cover is with Zurich which includes employer's liability and public liability. NB there is no evidence of cyber security cover.</p>	✓
	<p><b>3. Ensure appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches: such reviews should be undertaken by appropriately qualified external inspectors or, if by officers or members, that they have received the appropriate training and accreditation.</b></p> <p>The asset register refers to ownership of play equipment and playing field, but this is not reflected in the Risk Assessments document. There is no record in the minutes or payments schedule of any inspection during the year. There is a record of safety checks in the invoices provided by the Handyman, but no record of what was checked or the condition of the equipment, or the appropriateness of the checker.</p> <p><b>Comment-</b> check the parish council's insurance cover to see what reporting schedules are expected of councils that are responsible for play areas and equipment. It would be better to have explicit reports rather than infer that in the absence of any report, all is ok. A tick-list / check sheet may suffice.</p>	x
	<p><b>4. Review the effectiveness of internal control carried out by the authority</b></p> <p>The minutes of the meeting held 19/05/2025 record the council's approval of the internal audit report for 2024/25 and that all recommendations be noted and implemented. The council has in place internal controls including Standing Orders, newly adopted Financial Regulations and a Risk Assessment. Budget reports are regularly monitored; bank reconciliations and payment schedules are minuted. Other internal controls are referred to during this report.</p>	✓
D	<p><b>The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</b></p>	

	<p><b>1. Ensure the full Authority, not a committee, has considered, approved and adopted the annual precept for the coming year in accordance with the required parent Authority timetable</b></p> <p>At its meeting held 30/10/2025, the council considered the budget proposals and agreed the precept amount for 2026/27 of £20,328 + council tax grant of £885. This was confirmed at the meeting held 08/01/2026.</p>	✓
	<p><b>2. Ensure current year budget reports are prepared and submitted to Authority / Committees periodically during the year with appropriate commentary on any significant variances</b></p> <p>Budget reports are referred to each council meeting and a copy of the final budget report to 31/03/2026 has been provided to the internal auditor.</p>	✓
	<p><b>3. Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances</b></p> <p>The budget document referred to at (2) above notes progress and the percentage received / spent to date compared to overall budget. Variances are highlighted and explained.</p>	✓
	<p><b>4. Ensure the precept received in the accounts matches the prior year submission form to the relevant authority and the public record of precepted amounts</b></p> <p>The public record for 2025/26 shows precept amount of <b>£19,184</b> which matches the amount received from Wychavon District Council and matches the minutes of the meeting held 07/11/2024 when the 2025/26 budget was agreed.</p>	✓
E	<p><b>Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.</b></p>	
	<p>The parish council's income relies on the precept with other income from playing field hire, grants and donations and bank interest. It takes part in the county council's Lengthsman scheme grass verge maintenance scheme whereby payments made for such services, up to a budgeted amount, are reimbursed by the county council.</p> <p>The parish council makes no VATable supply and can reclaim VAT paid out on non-business activities under the VAT126 scheme.</p>	✓
F	<p><b>Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for</b></p>	
	N/a	
G	<p><b>Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.</b></p>	
	<p>The Clerk is paid in line with the NALC / SLCC national agreement. Payroll records are kept via the HMRC Basic Tools software which is managed by the Clerk, and a full record of RTI submissions is available for scrutiny; there are regular reporting and payment arrangements to HMRC regarding PAYE and NI.</p> <p>No pension scheme is provided. No council member receives a council allowance.</p>	✓

H	<b>Asset and investments registers were complete and accurate and properly maintained.</b>	
	The parish council maintains an asset register. <b>Comment:</b> it would help to record the location of each asset, and provide the detail expected by <a href="#">Proper Practices</a> , para. 5.58 to include date of acquisition, cost of acquisition, useful life estimate and location plus insurance value, replacement value, custodian, date last physically vouched.	✓
	<b>Borrowing and Lending:</b> no loans on record.	n/a
I	<b>Periodic bank account reconciliations were properly carried out during the year.</b>	
	Periodic bank account reconciliations were properly carried out during the year (see objective A).	✓
J	<b>Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.</b>	
	The council's annual turnover is less than £200,000 and it has chosen to prepare the accounting statements on receipts and payments basis. The cashbook record is supported by the bank statements, invoices and receipts.	✓
K	<b>If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.</b>	
	N/a	N/a
L	<b>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.</b>	
	I have reviewed the Authority's website to see if all required documentation is published in accordance with the relevant legislation which includes-	
	a. The Freedom of Information Act. To this end the parish council has adopted, and published on its website, the publication scheme in keeping with the ICO model and publishes the relevant information referred to therein.	✓
	b. General Data Protection Regulation. The website contains a Privacy Policy (not been updated since 2019)	✓
	c. The Localism Act 2011 requires the online publication of each council member's Register of Interests. Not all members' forms are available on the H&MPC website; a few more, but not all, are available on the district council's website – it would help to have a link to the district council's page from H&MPC website.	X
	d. The Accounts and Audit Regulations 2015 which require publication of the Annual Accounts and AGAR along with the annual internal audit report.	✓
	e. The <a href="#">Transparency Code for Smaller Authorities 2014</a> which is not mandatory for councils with receipts and/or payments of more than £25,000pa, but aids transparency and shows good practice.	✓
f. WCAG 2.2 AA website standards to ensure the website is secure, using HTTPS protocol and contains an accessibility statement. The statement needs to be updated to reflect the latest WCAG 2.2AA update.	✓	

<b>M</b>	<b>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 &amp; Audit Regulations</b>	
	1. The online copy of the required "Public Notice" for 2024/25 clearly identifies the statutory 30 working day period for the exercise of public rights.	✓
	2. The relevant dates were recorded at the same time as approving the AGAR at the meeting held 22/05/2025.	✓
<b>N</b>	<b>The authority has complied with the publication requirements for 2024/25 AGAR.</b>	
	The statutory disclosure / publication requirements in relation to the prior year's AGAR have been met as detailed on the front page of the current year's AGAR. The statutory disclosures have been made online and within the set timeframe.	✓
<b>O</b>	<b>The authority has complied with laws, regulations and proper practices relating to digital and data compliance.</b>	
	<p><b>NEW assessment</b> this financial year which requires evidence of-</p> <ul style="list-style-type: none"> <li>• IT Policy (covering devices, access, passwords, email, website).</li> <li>• Data Protection and GDPR Policy (referred to as Privacy Policy)</li> <li>• Website Accessibility Statement.</li> <li>• Records Retention &amp; Disposal Policy.</li> </ul> <p><b>Comment:</b> The first three bullet points are met.</p> <p>The parish council is also expected to-</p> <ol style="list-style-type: none"> <li>1. <b>Use official council email accounts</b> and secure systems (not personal or free mail services).</li> <li>2. <b>Apply cybersecurity controls</b> (antivirus, encryption, backups, firewalls, strong passwords, MFA).</li> <li>3. <b>Conduct staff and councillor training</b> on data protection and IT safety.</li> <li>4. <b>Report and log data breaches</b>, with a clear escalation route to the Clerk and ICO.</li> <li>5. <b>Review policies annually</b> and keeps version control notes for audit.</li> </ol>	✓
<b>P</b>	<b>Trust funds (including charitable) - the Council met its responsibilities as a trustee</b>	
	n/a	

~End~

Gill Lungley, 29/04/2026

Additional documents-

1. AGAR Form 3, page 3 of 6, signed Annual Internal Audit Report (AIAR) 2025/26