

Haddenham Parish Council
Financial Year 2025-26



IAC Audit and Consultancy Ltd

Audit date: 28 January 2026

Date considered by Council 23rd February 2026 - Finance & General Purposes

Visit 1 Internal Audit Observations

Minute Reference: F26 25 (iii)

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

| No. | Audit Test | Response | Observation | Recommendation | Priority | Comments |
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| 1 | Is expenditure on Credit / Debit Card subject to independent review and scrutiny? | Yes | <i>Credit card statements are reviewed as part of the quarterly bank reconciliation process. The statement at the end of the quarter is signed and dated as evidence of independent review, however statements for the other two months in the quarter are not. The total value of payments under the card are reported in the payments over £500 listing (as long as they are over £500).</i> | When conducting the quarterly bank reconciliation the Councillor undertaking the review should review each months credit card statement and sign and date the monthly statement as evidence of independent review. | Medium | This has been added to the Internal Control Checklist. It has been done but not for all statements. |
| 2 | Does the Council receive a large number of Invoices? If so does the Council maintain a Purchase/Creditors ledger? | No | <i>It was noted that the Council is frequently posting creditor accrual journals for management accounting purposes. Currently the volume / value of transactions through the accounts are of relatively low value but the Council may wish to consider the introduction of a Creditors /Purchase ledger to monitor creditors - this would avoid the need to regularly post journals in the accounts.</i> | Council to consider the introduction of a formal purchase ledger to enable more robust control on invoices received and due for payment. | Medium | We do have an increasing number of invoices, in particular since bringing grounds maintenance in-house. We don't use a purchase order system but have previously attended Rialtas webinars demonstrating this and had previously decided the additional work and expense wasn't justified. We have plans to review our finance system for the new burial ground admin and will include this within that review. |

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

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| 1 | The Council has reviewed any points raised by the External Auditor as required | No | <i>From a review of Minutes it was not possible verify that the Council has considered the report of the External Auditor.</i> | The Council to ensure that, on an annual basis, it formally records a review of the External Auditors report in the Minutes of the relevant meeting. | Medium | This was missed off the January PC agenda and will be included for the next meeting in March. |

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

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| 1 | Has the Investment Strategy been subject to annual review? | Yes | <i>The Council has an investment policy in place which is currently scheduled for review every two years. The Statutory Guidance on investments requires that this is done on an annual basis.</i> | Council to ensure that its Investment Strategy is subject to annual review (this could be carried out as part of the budget process) | Medium | We will review in February and annually going forward. |
| 2 | Is there an appropriately approved schedule of fees and charges which is published on the Councils website? | No | <i>It was not possible to view allotment fees on the Council website.</i> | The Council to review the publication of allotment fees on the website. | Medium | The fees are reviewed annually but haven't been published on the website. We will get this done. |
| 3 | There is evidence of tracking of amounts due and follow up of any delayed or delinquent amounts | Yes | <i>The Council generates a large number of income transactions in respect of allotments. At present the Council uses a spreadsheet to monitor these.</i> | The Council to consider the introduction of allotment system to monitor and manage its allotment income. | Medium | We have looked at the Rialtas allotments package in the past but decided the Excel spreadsheet was simpler and FOC. We will review when the finance system is reviewed. |

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.*

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| 1 | Prior year accruals have been correctly reversed in the current year. (interim) | Yes | <i>It was noted that there are debit balances on some income codes, and credit balances on some expenditure codes, as a result of accruals made in 2024/25. This would imply that accruals made in 2024/25 were excessive / not correct.</i> | Council to review accruals previously made and verify whether these were correct. | Medium | We have accrued for estimated amounts due that haven't been invoiced for street light electricity and grounds maintenance. This has been repeatedly chased and reported to the ombudsman in the case of the energy supply. This has been reported at PC meetings. |
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(For local councils only)

O Trust funds (including charitable) – The council met its responsibilities as a trustee

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| 1 | Trust income and expenditure has been transacted through a separate bank account in the name of the Trust and has not been recorded in Councils accounts | Yes | <i>It was noted that the Council is recording debtor and creditor balances in respect of the two charities of which it is Trustee.</i> | The Council to arrange settlement of the Trusts debtor and creditor balances. | Medium | The accounts will be settled before year-end. |