Stondon Parish Council

Year End - Internal Audit report for the year ended 31 March 2025

Internal audit is a key component of the system of internal control. The purpose of internal audit is to review whether the systems of financial and other controls over a Council's activities are operating effectively.

The Internal Audit for 2024/25 has been completed in April 2025.

Executive Summary

The Parish Clerk as the RFO (Responsible Finance Officer) has prepared the Year End Annual Governance & Accountability Returns (AGAR) as in previous years. There are no significant changes from the previous year.

The Council uses the 'Easy PC Accounts' software to record its financial transactions including receipts, payments, and VAT. Bank reconciliations are also undertaken using this system. The Year End bank reconciliation was reviewed by Audit and agreed to supporting working papers and the bank statements. The Council now has two bank accounts, and all year end balances were agreed to the bank statements to ensure the closing balances have been correctly stated.

A sample of transactions (both payments and receipts) were tested and verified to supporting invoices and remittances and reconciled to the bank statements. All figures included in the AGAR have been reconciled to supporting working papers and the General Ledger.

External audit completed their Annual Audit for 2023/24 and no significant issues were identified. The Notice of Completion of Audit was published on the Council's Website.

There are good processes in place for approving invoices. Audit testing confirmed all invoices are authorised and the invoice list is signed by the Clerk. These are then input onto a monthly spreadsheet for approval at the Council meetings. Councillors check that the invoices are valid and confirm by initialling the invoices. The spreadsheet is presented at the Council meetings and approved. Review of minutes confirmed these monthly spreadsheets are attached to the monthly Minutes.

I would like to thank the Clerk for their co-operation during the audit. Detailed Audit findings are included in the Appendix table below.

S L Bains
28 April 2025

Appendix 1

	Test	Findings	Recommendations
A	Appropriate accounting records have been kept properly throughout the year	The accounting records for the financial year from 1st April 2024 to 31st March 2025 have been recorded on the 'Easy PC Accounts' software system. This has been reviewed by Internal Audit and all entries have been recorded on the system which balances to the year-end bank reconciliation. Audit tested a sample of Payments from the cash book and agreed them to supporting invoices, and the bank statements. Testing confirmed all payments agreed to supporting invoices which had been checked by the Clerk and authorised before payments has been made.	None
B	Council met its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for	The Council have adopted the Financial Regulations in June 2024 and is available on the Council's website. The Standing Orders and the Code of Conduct were also approved in May 2022. All these policies are available from the Council's website. VAT is separately accounted for. The Council have submitted VAT 126 forms during the year to HMRC to reclaim VAT. The submission of the VAT claims is undertaken online.	R1: It is recommended that the Standing Orders and Code of Conduct is reviewed in the next financial year as these were last reviewed in 2022.
C	Council assessed the significant risks to achieving its objective and reviewed the adequacy of arrangements to manage these	**Risk Management Policy:** The Council reviewed their Risk Management Policy and their Risk Register in April 2025. **Insurance:** The Council's levels of insurance cover are: • Employer's Liability - £10 million • Public Liability - £10 million • Fidelity - £250k	None

D	Precept requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored, and reserves were appropriate	**2024/25 Budget** The budget for 2024/25 was approved in January 2024. Evidence was seen by Audit to confirm that the Budget is discussed, analysed and monitored against the actual spend to date. **Precept** The Precept for 2024/25 is £108,916. The first instalment of £54,458 was paid in April 2024 and the second instalment was paid in September 2024. This has been agreed by Audit to the Cashbook and the bank statements.	None
E	Expected income was fully received, properly recorded and promptly banked	In addition to the annual precept, the Council receives income from: • Allotments • Grants Audit verified a sample of deposits recorded in the cash book to the bank statements. No issues were identified.	None
F	Petty cash	The Council does not use Petty Cash.	None
G	Salaries to employees and allowances to members were in accordance with the Council's approvals	There is one employee that is on the payroll system and the approved salary, pension, NI and tax calculations have been agreed to supporting documentation. Any expenses that are incurred are detailed in the monthly payments schedule, and approved by Council.	None
H	Asset register was complete and accurate and properly maintained	A fixed asset register for 2024/25 has been agreed to the Assets List provided and agrees to the figure stated in the AGAR in Box 9.	None

I	Periodic and year end bank account reconciliations were properly carried out	Bank reconciliations are undertaken on a monthly basis. Audit reviewed the Year End reconciliation which agreed to the Council's records and the balances per the bank statements for all bank accounts. No issues noted.	None
J	Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to cashbook, supported by an adequate audit trail from underlying record	The accounting statements have been prepared on a receipts and payments basis. No changes from the previous year.	None