

## Annual Internal Auditor's report 2024/25 St Helen Without Parish Council

Internal Auditor: Deborah O'Brien CiLCA PIALC

Smaller authorities are required by the Accounts and Audit Regulations 2015 to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

In accordance with guidelines contained in the 2024 Practitioners' Guide (JPAG) paragraphs 4.6-4.12, I am independent of the Parish Council and its members as well as being a CiLCA qualified Clerk with over 10 years' experience.

I have carried out a selective assessment of the Council's compliance with relevant procedures and controls, which I expected to be in operation during the year ended 31<sup>st</sup> March 2025, as outlined in the letter of engagement signed by the Council at its 21<sup>st</sup> October 2024 meeting. The function of this internal audit is to improve efficiency and effectiveness of the Council's procedures, not to detect errors or fraud, as the management of the Council's internal controls is a function of the Council as a whole. (Practitioners' Guide, paragraphs 4.4-4.5).

This internal audit has been conducted electronically utilising requested documents provided by the Clerk, as well as those present on the new website at [St Helen Without Parish Council](#). In addition, a Zoom meeting was held on 6<sup>th</sup> May 2025 to review this report and view hard copies of certain records.

Overall, the standard of management and governance processes is good, with some issues highlighted below for the attention of the Parish Council. I would like to thank the Parish Clerk/RFO, Wendy Bates for her cooperation and assistance in facilitating this internal audit.

### Internal Audit report assertions

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

- Prior year's cashbook balance has been correctly brought forward.
- Appropriate accounting records (Excel spreadsheet) have been kept throughout the year with monthly updates and quarterly bank reconciliations brought to council meetings, where they are signed off by a Councillor.
- Council minutes for the year are complete and have been signed. Each page is also initialled as directed by with [Local Government Act 1972 sched 12 paragraph 41 \(1\) \(2\)](#) Also refer to Arnold-Baker on Local Council Administration paragraph 7.37.

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

- The council's Financial Regulations have been/are being followed.
- Financial Regulations are regularly reviewed and are based on the latest 2024 template. I recommend that the Council reviews the latest amendments to the NALC Model Template Financial Regulations 5.4, 5.7 and 5.11, as a result of 'The Procurement Act 2023' and 'The Procurement Regulation 2024' which came into force March 2025.
- A random sample of financial transactions was examined in detail and found to be administered correctly. The cashbook contains some cross references to approvals/minutes. Expenditure was considered and approved at full council meetings. Minuting of payments and receipts is more comprehensive.
- The Council has effective controls on the making of payments by BACS.
- A council debit card is now in place, and its usage is described in Financial Regulations. The Clerk/RFO sets up payments and two councillors authorise the release of funds.
- Currently 3 Councillors are authorised on the banking mandate. One non-mandated councillor is responsible for internal controls.

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

- **A strategic risk assessment is not evident on the website, nor can I locate a recent minute that there has been a review of risk during the financial year. I would recommend developing a comprehensive risk assessment that encompasses financial and operational risks. This should be reviewed annually as part of Internal Controls and minuted accordingly. An Internal Control policy is also due to be approved.**
- Appropriate levels of insurance cover are in place, including Employers, liability and fidelity coverage. No review of assets appears to have been made prior to the 2024/25 insurance renewal, although the March 2025 minutes reflect that this is being prepared for the 2025/26 renewal and will be reviewed at the April 2025 meeting.
- Standing Orders were last reviewed in May 2024 as a part of the year-end process. NALC has now issued (April 2025) updated Model Template Standing Orders 14 (Code of Conduct) and 18 to reflect the changes made to Financial Regulations, and I would recommend reviewing and adopting these when practical.
- I would recommend that formal risk assessments are conducted for all PC activities, including Play area, Recreation Ground, PC meetings, litter picks etc. A RoSPA check is conducted annually, plus a quarterly contractor inspection.

- A tree inspection is to be arranged. This should be done regularly by an independent arboriculturalist – please check with your insurers as to frequency.
- I would recommend that the Council keeps on file copies of contractors' liability insurance and risk assessments.
- Electronic files are stored on a Cloud Drive. I would recommend that a password/access file is kept in a secure location.

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

- The 2024-25 budget was reviewed at the 11<sup>th</sup> December 2023 meeting, and the precept was then set at £49,917.44.
- The 2025-26 budget was reviewed in depth at the 9<sup>th</sup> December 2024 meeting, and the precept was then set at £53,160. (minutes 11(a) & 11(b)).
- The External Auditor commented upon the level of ear-marked reserves held by the Council and these were considered in the budget setting meeting in December 2024. They recommended that the Council should monitor its general reserves throughout the year and take action if necessary to re-designate ear-marked reserves. I noted that regular reviews of budget vs expenditure are undertaken.

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

- In addition to the precept of £49,917, the council received a grass cutting grant of £1,302.77 from Vale of White Horse DC.
- £1,750 grant was also received.
- Interest received equalled £1,449.59, plus a £250 goodwill gesture from Unity Bank.
- VAT reclaims are made in accordance with [VAT form 126 claims for organisations not registered for VAT](#) and received regularly. The last receipt was in September 2024 totalling £1,112.90. A claim for £5,070.38 has been claimed for 2024/25.

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

- Not applicable – no petty cash.

**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 Council had one employee (Clerk/RFO) with a contract. The Clerks hours were increased to 12 per week between Oct 24 and March 25, reverting to 10

as of April 2025. An amendment to contract letter should be issued when changes are made.

- The Parish Council is registered with HMRC.
- The National Pay Award was noted in the December 2024 meeting and backpay made.
- HMRC/PAYE payments are being made, and I was able view regular HMRC payments and NEST payments via the bank accounts.
- Pensions Regulator – The council re-declared compliance in July 2024. A pension is being administered.
- A working from home allowance is paid, and this is correctly not included in staff costs.
- Councillor allowances are not paid, although a chairman's expense allowance and policy has been agreed.

**H. Asset and investment registers were complete and accurately and properly maintained.**

- The asset register is currently under review in preparation for insurance renewal.
- New assets should be added as received, at cost value.
- The asset register matches the figure stated in box 9 of section 2 of the AGAR.
- The council does not have any loans and there are no long-term fixed asset investments.

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

- These are performed quarterly and presented to the full Council.
- Year-end bank statements were checked and aligned with the year-end bank reconciliation. I would recommend reviewing the accounts still held at NatWest and consolidating where possible.

**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.**

- The council has prepared its accounts on receipts and payments basis.
- The Accounting Statements (AGAR) prepared by the RFO agree to the cashbook.
- Line 2 agrees to the value of the precept raised and received and National database.
- Line 4 only includes staff costs as defined in Practitioners' Guide.
- Line 8 agrees to the year-end bank reconciliation and supporting bank statements.

**K. If the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt.**

- Not applicable – the Council exceeded the £25,000 threshold.

**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 Accounts and Audit Regulations 2015 - regulation 13](#) requires that all authorities publish on their website for at least 5 (five) years: the statement of accounts, any certificate of the auditor, and the annual governance statement.
- The Council exceeds the £25,000 threshold and is therefore not subject to the Transparency Code for Smaller Authorities. However, best practice is to follow those guidelines in the interest of transparency to electors.

**M. In the year covered by the AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (*during the 2024-25 AGAR period, were public rights in relation to the 2023-24 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set?*)**

- The Parish Council published the Notice for the Exercise of Public Rights on its website. The announcement date was 25<sup>th</sup> June 2024 and the period for electors' rights was 26<sup>th</sup> June – 6<sup>th</sup> August 2024, which correctly allows for 30 days' inspection. The dates were also minuted at the June 2024 meeting.

**N. The authority has complied with the publication requirements for 2023/24 AGAR (*see AGAR page 1 Guidance Notes*)**

- The Council has complied with all requirements.

**O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.**

- The Council is not a trustee – not applicable.

**Other matters not covered above:**

- I would recommend that the Council reviews the 2025 edition of Practitioners' Guide, as it contains new requirements and guidance which will affect the 2025/26 audit, in particular relating to 'Digital & Data Compliance', and the requirement for an IT policy. A summary of the changes and the guide itself can be viewed at [Practitioners' Guide 2025](#).
- I would refer the Council to the External Auditor's report and certificate of completion for 2023/24. Although the minutes reflect that it was noted, they

do not show that any actions were or were not taken. In particular, going forward, care must be taken when answering the Governance Statement of the AGAR in ensuring that it reflects responses made on the Internal Audit report.

- When preparing Section 2 of the AGAR – Accounting Statement, the RFO should sign and date the bottom left-hand side as instructed. This should be before the approval meeting and a different date from the meeting. (2024/25 was 'corrected' to read the same date as the meeting.)
- This is now the 3<sup>rd</sup> year that I have conducted the Internal Audit for St Helen Without PC. Therefore, I would recommend that you review your Internal Audit provision and obtain quotes from 3 providers in the same way that you would every 3 years for any other contract.

This report should be submitted along with the AGAR Annual Internal Audit Report 2024/25 to the full council for review and consideration before completing the Annual Governance statement.

*Deborah O'Brien CILCA PIALC*

**6<sup>th</sup> May 2025**