

**AUDIT REPORT BY THE INTERNAL AUDITOR TO UNDERSKIDDAW PARISH COUNCIL
PERIOD 1ST APRIL 2024 – 31ST MARCH 2025
FINANCIAL YEAR ENDING 31 MARCH 2025**

I confirm I have on the 21ST April 2025 undertaken an internal audit for the period 1st April 2024 - 31st March 2025 (in accordance with the Account and Audit Regulations (England) 2015 and in accordance with the Council's approved audit plan and incorporating any new requirements as outlined in "Governance and Accountability for Local Councils" A Practitioners' Guide (England) March 2024

Detailed below are the findings of the Internal Audit.

1. Proper Bookkeeping

The Council operates Receipts and Payments accounts as required by the Regulations. The Scribe software records receipts and payments under specific budget headings, allowing immediate identification of spending in each budget sector. The accounts are balanced monthly and also records cumulative spending to date. There is the additional security of an internal checking system to monitor the accuracy of the data input into the computerised accounts.

2. Financial Regulations, Standing Orders, Publication of Relevant Legislation.

Financial Regulations were reviewed and adopted at the meeting held on 17th September 2024 – Minute No. 54.

The Council has comprehensive and appropriate Policy Documents which are annually reviewed, as appropriate, and displayed on the Council website.

The Council has a statutory obligation under the Transparency Code, and other relevant legislation, to display specific information as detailed in the legislation. The Council has a comprehensive website, and all information is displayed in a format easily understood by the elector.

3. Invoice procedure

There is a clear audit trail from the financial records, supported by invoices and all payments are authorised and duly recorded in the minutes. A random check was made of all payments all of which adhered to Financial Regulations.

4. VAT

VAT was identified on purchases for the period ending 31st March 2025. The VAT record on payments in the accounts verifies the accuracy of the sum for the year of £218.84 a claim for which has been submitted.

5. Sct 137 Paymentst

The RFO has identified and adhered to the statutory requirement to maintain ‘a separate account’ of expenditure under Local Government Act 1972 section 137, by the inclusion in the accounts of a separate accounting column, even if not used.

6. Health and Safety/Risk Management Policy and Protocol

The Council has documentation clearly identifying risks associated with activities undertaken by the council both financial and physical. While no annual review has been undertaken, recent documentation exists which is current and relevant and of a standard adequate to meet the needs of the authority. The absence of a review coincides with the transition of Clerks after a period when no new appointment had been made.

RECOMMENDED that a review of Health and Safety Policy Documents be undertaken by the Council annually and subsequently documented in the Minutes.

7. Minutes

The Minutes clearly documents the activities of the Council and there is no evidence of unusual financial activity. Loose-leaf minutes are sequentially numbered and verified by the initials of the Chairman.

8. Register of Interest

Members have duly completed the Register of Interests and fulfilled their obligation to keep it updated.

9. Budget Control

A correct budget process is in place and the budget is regularly monitored. Forecasting over/under budget spending identifies variances, which is addressed appropriately if required.

10. Cash Balances

The cash balances at the bank of £13673.00 is considered adequate to enable the Council to fulfil the obligations in the 2025/256 budget. External Audit advises a sum equivalent to 3 months to 12 months income or expenditure as an adequate reserve.

11. Income Controls

All income is recorded and promptly deposited at the bank. No cash income.

12. Petty Cash/Clerk’s Expenses

The Council does not operate a Petty Cash Account.

All spending under Clerk’s Expenses is notified to and approved by Council

Sums drawn are allocated to the appropriate budget head and VAT is identified and claimed.

13. Payroll Controls

All PAYE/NIC records are up to date and submissions to HMRC are made in real time online. Payroll is operated externally and verified for accuracy by the Clerk/RFO

14. Asset Control

The Asset Register documents assets held by the Council at the 31st March 2025
Assets are noted in 2025 AGAR on 31st March. - £18577.00
All assets are adequately covered by insurance.

15. Bank Reconciliation

Bank Reconciliations are carried out on receipt of bank statements and accurately portray the financial position of the Council. It is confirmed that there are no unexplained balancing entries.

Governance and Accountability Return 2024. (AGAR)

16. The authority has, during the previous year, correctly provided for the exercise of public rights as required by the Account and Audit Regulations.

Regulation 15(2) Accounts and Audit Regulations 2015 requires the Responsible Financial Officer (RFO) to publish a Notice of Public Rights of inspection of accounts for a period of thirty days which must include the first 10 working days in July.

The Local Audit and Accountability Act 2014 and The Accounts and Audit (England) Regulations 2015 requires a Council, having signed the Certificate of Exception, (Meeting - 13th May 2024 – Minute No. 7) to publish the requisite documents on a website prior to 2nd July in the relevant year. The notification was posted on the website 21st May 2024 with inspection period 3rd June 2024 – 12th July 2024.

Conclusion

I confirm Underskiddaw Parish Council is compliant with all Account and Audit Regulations and statutory requirements.

In concluding the report, I acknowledge the assistance of the Clerk/RFO and the thorough preparation and availability of all excellently compiled documents, which expedited the audit process as a result of accurate and transparent records.



Georgina D. Airey – Internal Auditor. 21st April 2025