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AND
PERSONAL
CONTACT
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6th June 2025

Hopesay Parish Council

Ladies and Gentlemen

I have again been appointed as your Internal Auditor and am employed by the Council to conduct such tests as are agreed and are sufficient to enable me to complete the Internal Auditor's Report contained within the Audit Commission's Annual Return Form for the appropriate financial year.

My report this year is again based on the Guide issued by the Joint Panel on Accounting Guidance (JPAG). Whilst the tests are I have made are taken from the Practitioners' Guide, they are relevant to the various headings on the Annual internal audit report. I have again given my rationale for the answers given on that report.

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

Appropriate books of account have been kept properly throughout the year. A Cash Book is maintained, is up to date, regularly balanced and the reconciliation of the cash book balance and the bank statement is agreed by the council at each meeting. The books are made up to 31st March 2025 and were audited by me on 6th June 2025.

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

I have checked a sample of the Income received, also the invoices paid, together with a sample of the payment transactions and found them to be satisfactory. Where applicable, prior to authorisation, the invoice is checked by the Clerk. The Council pay their invoices either by Standing Order or by BACS and the Councillors authorising the payments are required to check the original invoice that they have assured themselves that the invoice is appropriate for payment and that the invoice and payment voucher are in agreement as to payee and value. From the samples checked, this is being done. VAT on payments has been identified and recorded separately. The Standing Orders were reviewed at the Council meeting on 24th February 2025, see item 15 of the minutes. The Financial Regulations were also reviewed at the meeting on 24th February 2025 under the same item as above when it was resolved that no amendments were necessary to either the Standing Orders nor the Financial Regulations. The other policies and procedures under which the Council operates were reviewed where appropriate during the year in question.

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

The Council assessed the significant risks to achieving its objectives and has a detailed Risk Assessment. The Council has an excellent Risk Register which is updated on a rolling programme, and the Register is discussed at most, if not all, meetings of the Council. The discussion and outcomes of those discussions are minuted, sometimes there are amendments made and if no amendments are necessary, that, too, is minuted. There is a rolling programme of the review of risks and individual risks are reviewed, where necessary, at each meeting of the full council.

The Council discussed the Insurance cover at their meeting on 20th May 2024 under item 17 when the renewal quote of £505.81 from Gallaghers was accepted. The insurance cover runs from 1st June 2024 to 31st May 2025.

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

A draft budget for 2025-26 was drawn up by the RFO for the November meeting which proved iniquorate. It was then presented at the December meeting for adoption, taking into account some amendments. At the December meeting, discussions duly took place and it was agreed that an Expenditure budget of £23768 would be set. A precept of £16686 was agreed and this constituted a 3.3% increase on a Band D property over the 2024-25 precept. The precept would be augmented by using funds from reserves and CIL monies. The budget is

regularly monitored by the Council, and I am again delighted to see that it is treated as a “living” document, with funds being vired, if necessary, from other headings to make up any unexpected shortfalls or additional spending, but not until any shortfalls or additional expenditure has been discussed by the full council and agreed. Progress is regularly monitored and a quarterly budget review is discussed, agreed and duly minuted. The council regularly discusses its reserves in conjunction with the quarterly budget updates and they are again to be commended for their financial stability and viability, and the way their financial management operates. There is an excellent, fully comprehensive Reserves policy which was adopted in 2018 and is reviewed regularly, the last review being in February 2025.

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

All income has been received, is properly recorded and promptly banked where applicable. The recorded precept agrees to the Council Tax authority's notification. The council does not deal in cash or near cash items. VAT has been properly accounted for and a claim for 2023-24 was made in March 2025 for the sum of £2255.56. The refund for the claim for 2022-23 totalling 756.79 was received on 2nd April 2024 and is included in the figures for 2024-25. The refund for 2023-24 has now been received.

F. The smaller authority does not operate a petty cash system.

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 existing clerk has a Contract of Employment, which is based on the NALC model. Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied and payments to HMRC are up to date. The Clerk's salary was duly approved and minuted.

H. Asset and investment registers were complete and accurate and properly maintained.

The council has an Asset register which is complete and accurate and properly maintained. I would again like to place on record the excellent content of that register. It is discussed and when the review is finally concluded, the document is agreed. The clerk continues to ensure that an up to date copy of the Register is always sent to the insurance company, to ensure the assets are fully covered for insurance purposes. The council does not have an investment register as it has no investments.

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

Periodic reconciliations have been carried out, as has a final year end reconciliation. These have been duly discussed by the Councillors, and I would like to thank those councillors who, during the year, have undertaken the checks on those reconciliations and have reported back to the full council that in all cases there were no variances. All reconciliations have been duly minuted, and I can assure you that in my opinion your current measures for Internal Control continue to be fully adequate.

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.

Accounting statements have been prepared on the correct accounting basis (Receipts and Payments). The accounts are supported by an audit trail. At the year-end there are no unexplained balancing entries in the reconciliation. The value of investments held is not applicable. There are original bank statements for the account.

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.

The authority did not certify itself as exempt from a limited assurance review in 2023/24, as it did not meet the exemption criteria. The Council, in open meeting in May 2024 resolved to send copies of the completed AGAR, bank reconciliation, explanation of variances, and notification of the period for the exercise of public rights to the External Auditor; and to publish copies of the relevant documentation on Council's website by the due dates. Council also noted that once the External auditor had completed the limited assurance review and returned the completed AGAR, it and all relevant documentation would be published on Council's website by the due dates. see minute 18.6 & 7.

L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with any relevant legislation.

The authority has published the required information on its website which was up to date at the time of the internal audit in accordance with any relevant legislation. See item K above.

- M. 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.** *(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).*

This exercise was correctly provided for and the exercise was duly minuted at the May 2024 meeting under minute 18.5.

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

The authority has complied with the requirements, see item 18.7 of the May 2024 minutes.

- O. Trust Funds (including charitable) – The council met its responsibilities as a trustee.**

The Council does not have any trust funds.

Conclusion.

I have marked all the categories on the internal audit form as conforming to the required standard on the basis that under risk management there is little, or no risk attached to the council from any of the comments I have made.

From my internal audit testing there is no evidence of any irregularities, and I would like to thank the Clerk for the excellent way in which the accounts and other audit material have been prepared.

From our discussions and from the audit material supplied to me, I have been particularly impressed by her actions as clerk, despite her working under very stressful personal difficulties during the year. That impressiveness permeates through to the subsequent actions of the councillors at all your meetings, and the council continues to run like a well-oiled machine. You, the councillors, are all unpaid volunteers, who have been elected to serve the community, and together with the clerk you are to be praised and thanked for your diligence and devotion to duty. You may feel that this is very similar to what I wrote a number of times in the past, and I again debated long and hard as to whether to change it, but I still cannot find any better way of passing on my thanks to such a well-run council. Congratulations to you all.

Yours faithfully



Bernard Townson
Internal Auditor
6th June 2025