

Clare Smith
Toller Porcorum Parish Council

7th May 2025

Dear Clare,

Toller Porcorum Parish Council End of Year Audit May 2025

Parish & Parish Auditing Services have been appointed to undertake the internal audit for Toller Porcorum Parish Council. The End of Year audit was completed on 6th May 2025.

I can confirm that I am independent of the Parish Council.

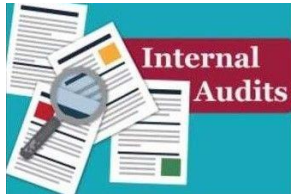
As stated in the Letter of Engagement letter, the scope of our work is limited to completing the audit testing and enquiries we deem necessary to complete Section 4 of the Annual Report for Local Councils in England. We do not provide assurance over or accept responsibility for areas of work not included in this scope, unless specifically agreed with the Council during the financial year. In providing internal audit services we are not conducting a financial statement audit in accordance with standards and guidelines issued by the Audit Practices Board and our procedures are not designed to provide assurance over the reliability and quality of your financial statements. This will be undertaken by the Council's appointed External Auditor.

We are required by the Annual Internal Audit Report included in the Annual Governance and Accountability Return (AGAR) to review controls in place at the Council against predefined control assertions. These controls are included in the following report.

Thank you for all the information you have provided. I would be grateful if you could present this report at the next available meeting of Full Council.

Yours sincerely,

Paul Russell, Internal Auditor



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

The Council maintains its financial records using the Scribe Accounting software. The internal audit has confirmed that income and expenditure balances to the cashbook and is reconciled to the bank statements on a regular basis. During the review it has been confirmed that there is a clear audit trail from the accounts to supporting documentation such as invoices.

The Council receives monthly financial updates and these are posted onto the website to help meet transparency requirements.

The opening balances in the cashbook agreed back to the 2023/24 accounts. Bank reconciliations are undertaken monthly and reconciliations are presented to Council, minuted and signed off. A sample of invoices have been inspected against the accounts for payment. No material differences were identified.

The accuracy of the year-end bank reconciliation details has been verified and accurate disclosure of the combined cash and bank balances have been stated in the AGAR, section 2, line 8.

The Council has met this control objective.

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

Financial Regulations are based on the latest version of the NALC templates. Please note that from 24th February 2025, both above and below threshold notices for new UK procurements will need to be published on Find a Tender: [Find a Tender](#)

Standing Orders are based on older versions of the NALC templates. The Standing Orders NALC model has been updated to cross reference with the revised Financial Regulations. At present financial limits within the Standing Orders do not match the new limits within Financial Regulations.

Recommend that Standing Orders are reviewed, updated and approved by Full Council. In particular it is recommended that Council updates Section 18 of its Standing Orders to reflect the new Procurement Act 2023 and the ensure both Standing Orders and Financial Regulation limits match.

All other payments under Box 6 of the AGAR have decreased from £8,186 to £6,300. An explanation of variance will be required.

Invoices are entered into the accounting system and a list of payments are presented to Full Council at each meeting for approval. The Council has an online banking protocols document in place and this has been observed during the year.

A sample test has been undertaken and the following is confirmed:

- Payment agreed to the invoice.
- A sample of Payments have been checked against the bank statements to verify accuracy.
- Expenditure is appropriate.

The Council does not currently have a debit or credit card in place.

The Council is not registered for VAT and submits a VAT claim on an annual basis to HMRC. A claim of £212.58 has been submitted for the 2024/25 financial year.

The Council has met the requirements of this control objective.

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

The Council has a Risk Register in place. It has been reviewed at the Council Meeting held on 15th May 2024. (minute: 24/05-14.iv). It will be reviewed again, amended if required and adopted in May 2025. **Recommend that this be uploaded onto the website.**

The Council is insured with Hiscox through Gallaghers on a standard local council package for employer liability and public liability. Adequate cover is provided and the policy was in date at time of audit.

The Council is responsible for one play area which is inspected by an independent inspection company on a quarterly basis. A full report is provided and reported to Council. Action is taken if required.

The Council has met this control objective.

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

Electronic files are stored on the cloud using One Drive (Microsoft), This is password protected. At least once a year a backup copy is made to a hard drive which is stored in a secure filing cabinet at Toller Porcorum Village Hall.

Council had initial balances of £13,032 at the beginning of the year and these have increased to £13,193.

End of year bank balances are as follows:

ACCOUNT	AMOUNT
Current Account	£732.07
Savings Account	£12,461.09
AGAR Total	£13,193.16

The Council does not have any Earmarked Reserves in place. **It is recommended that Council considers setting up Earmarked Reserves especially for future play area improvements and replacements.**

The precept for 2024/25 was approved at the Full Council meeting on 13th November 2024 (minute: 25/11-8.vi)

Budget Monitoring reports are reviewed by the Full Council as part of the financial information presented.

The Council has met this control objective.

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

Precept as stated in box 2 is £7,750. This was paid in two tranches of £3,875. This has been agreed to third party documentation provided by central government.

Income per box 3 to the accounts was £917, a decrease of £1,695 from income received in 2023/24 of £2,612. An explanation regarding this variance will be required by the external audit.

A sample has been tested during the year from the cashbook. The transactions were selected randomly and included items from each month of the 2024/25 financial year. No material differences were identified.

There is one lease in place for the Recreation Area. This is leased from the National Playing Fields Association by the Parish Council. The lease commenced in March 2024.

The Council has met this control objective.

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

The Council does not operate a petty cash account. **Not Covered.**

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.

Staff costs per box 4 to the accounts were £2,206 compared to the previous year of £1,826.

I confirmed that the accounts only include payments relating to employment of staff in box 4.

A sample of payroll has been reviewed. I am satisfied that gross pay was calculated correctly and all payments to HMRC have been submitted. Pension contributions will

be made in the new financial year. The Clerk commenced employment in May 2024 and has an employment contract. The increase in salary has been correctly minuted.

The Council has met this control objective.

H - Asset and investments registers were complete and accurate and properly maintained.

The asset register has been reviewed and updated to include purchases during the year. The Fixed Assets box 9 stated £6,745 for 2023/24 and has increased to £7,189.

Play equipment is not covered by insurance and the Council is aiming to build up reserves to fund replacement in the future. Please see Earmarked Reserves recommendation.

The Council has met this control objective.

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

The Council has no outstanding loans.

All the Bank Accounts are reconciled promptly on a monthly basis. This was verified by reviewing the bank reconciliation file.

The Council has met this control objective.

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.

Toller Porcorum Parish Council prepares its annual accounts on a receipts and payments basis as required as it has a turnover of less than £200,000 per annum

The Council has met this control objective.

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. (If the authority had a limited assurance review of its 2023/24 AGAR tick “not covered”).

The Council certified itself as exempt at a meeting of the authority on 15th May 2024. It completed Certificate of Exemption which was submitted to the external auditor. The minute reference is 24/05-14.vi.

The Council has met this control objective.

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

Smaller authorities must publish various documents on a publicly available website as required by the Accounts and Audit Regulations 2015, the Local Audit (Smaller Authorities) Regulations 2015 and the Transparency Code for Smaller Authorities. These include:

- Certificate of Exemption (signed and published);
- Annual Internal Audit Report (published)
- Section 1 – Annual Governance Statement (published);
- Section 2 – Accounting Statements (published)
- Analysis of variances (not published)
- Bank reconciliation (published)
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

Recommend that the analysis of variations is also published for 2023/24.

The Council has met this control objective.

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).

The Council published Sections 1 & 2 of the AGAR and the internal audit report.

The Public Notice is published on the Council's noticeboards. Dates were 3rd June to 12th July 2024 and this meets the 30 statutory days notice requirement.

The Council has met this control objective.

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

The Council has published AGAR documentation for the previous 5 years as required by the regulations. Documentation goes back to 2017/18.

The Council has met this control objective.

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

The Council is not a sole trustee. Not applicable.