

Lucy Collinson  
Wheatley Parish Council

5 June 2025

Dear Lucy

**Wheatley Parish Council**  
**Final Internal Audit 24-25**

The internal audit for the 24-25 financial year is now complete. I am pleased to report that the Council has maintained a satisfactory system of financial control, and I have signed off the internal audit report from the AGAR with no comments.

As stated in the 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 and management information – that is the job of external audit.

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 control assertions are set out below, together with the results of my internal audit work for 24-5. Recommendations are set out at Appendix A. I set out a schedule of tests not completed at this audit at Appendix B, these tests are not relevant to this Council.

The audit was carried out in two stages. The interim audit was carried out on 28 November, this concentrated on in year financial transactions and governance controls. The final audit was completed on 4 June and concentrated on the statement of accounts and balance sheet.

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### **A. Books of Account**

#### **Interim Audit**

The Council uses the Sage One Business Cloud accounting system. The system is used to report and record the financial transactions of the Council and a review of the cashbook shows that all data fields are being entered. My audit testing showed that supporting documentation could be readily located from transactions recorded on the accounting system, and all key reconciliations were up to date.

I have agreed the cash balance as recorded on the opening trial balance back to box 8 on the audited 23-24 AGAR. I am satisfied that the opening cash balance on the accounting system is accurate.

I confirmed that the Council has continued to submit regular VAT claims to HMRC. The Clerk shared the claim for the period 31 July to 31 October with me. I checked VAT reclaimed back to a summary of transactions extracted from the accounting system.

I confirmed that my last report was discussed at Full Council in June.

#### **Final Audit**

The accounting statements section of the AGAR has been agreed back to year end reports produced from the Sage accounting system. Income and expenditure accounts agree to Sage profit and loss, and the year-end balance sheet on Sage agrees to box 7 in the accounting statements. All comparatives reported in the financial statements have been agreed back to the audited 23-24 accounts, as published on the Council website.

The Council last submitted a VAT return for the period 1 February 2025 to 30 April 2025. There is a date submitted stamp of 15 May on the VAT return, this confirms that VAT return has been accepted by HMRC. The Council is up to date with VAT submissions.

The Council reviewed my previous audit report at the December meeting of Full Council. – minute 171 – minutes show proper consideration of recommendations raised.

### **B. Financial Regulations & Payments**

#### **Interim Audit**

I confirmed that the Council has reviewed key governance documents. Standing Orders were reviewed at the Council meeting in May (minute 2). Financial Regulations were approved at the Full Council meeting in June (minute 35). The new regulations are based on the revised template issued by NALC in May, adapted to reflect procedures in place at WPC.

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The Council has a robust process for authorisation of payments to suppliers. The Council approves expenditure via the annual budget process. Invoices are sent to the office by suppliers, invoices are checked by office staff for receipt of services goods and accuracy. The Clerk then prepares a payment listing, which is sent to authorising councillors, together with all invoices being paid by email. Bank payments are set up by the Clerk or Assistant Clerk on the current account, and these payments are authorised by 2 from the panel of 5 bank signatories. Payment listings are reported retrospectively to a meeting of the Finance Committee. The Council will need to ensure that a process compliant with financial regulations is put in place to cover the period after the current Clerk leaves the Council.

I tested a sample of payments selected at random from the sage cashbook for the first 8 months of 24-25. For all payments tested I was able to confirm

- Payment per cash book agreed to invoice
- VAT correctly accounted for
- Expenditure appropriate for this council
- Payment approval made by 2 councillors – checked to Unity Bank log

### **Final Audit**

Non pay expenditure per box 6 to the accounts amounted to £ 87,081, up from £70,024 in 23-24 .

I tested 3 further payments selected from the current account for the final quarter of the financial year, and confirmed the following:

- Payment per cash book agreed to invoice
- Expenditure appropriate for this council
- VAT accounting correct
- I checked approval at bank had been actioned by 2 councillors, after payment set up by a member of staff. This was checked to the Unity bank log.

## **C. Risk Management & Insurance**

### **Interim Audit**

The Council undertakes a full risk assessment annually using the LCRS risk management system. There are a number of risk assessments, these were reviewed at the September 2024 meeting of Full Council, this is recorded in minutes ( minute 86). I reviewed the risk assessment summary, This is comprehensive, and there is evidence of update in year.

The Council should consider completing a cyber security risk assessment in the next 12 months, with the assistance of the IT support contractor. This should document controls against known cyber security risks, and identify any training / annual checks that should be carried out to maintain controls in this area.

I have confirmed that the Council has a valid insurance certificate, with an expiry date of 31 May 2025, insurance is held with Aviva, arranged by Clear Insurance . The Council reviews its insurance requirements as part of the renewal process. Fidelity cover is currently set at £250K, this is sufficient, given cash holdings at the Council, and the fact that the Council is holding some of its cash in difficult to access accounts (CCLA).

I confirmed that asset cover is consistent with the Council's asset register, assets insured are :

<b>Property Insured</b>	<b>Declared Value</b>	<b>Sum Insured</b>
Buildings	£112,423	£134,907
Contents	£27,500	£33,000
Other <b>Property Insured</b> away from the <b>Premises</b>		
Street Furniture	£93,460	£112,152
Walls, Gates and Fences	£48,016	£57,619
Playground Equipment	£148,723	£178,467
CCTV Equipment	Not Insured	£0
War Memorials	£64,442	£77,330
Ground Surfaces	£58,124	£69,748
Mowers and Machinery	£8,212	£9,854
Sports Equipment	£24,133	£28,959

The Clerk has obtained email confirmation from the IT provider that computer back up data is working as anticipated – this was checked on 20 November 2024.

### **D. Budget, Precept & Reserves**

#### **Interim Audit**

I confirmed that the 25-26 budget and precept setting process was advanced at the time of the interim audit. A detailed budget was reviewed at the November Full Council, the Clerk confirmed that an amended version will be presented to the December meeting, where it is planned that budget and precept will be approved . I will review this at my year end audit.

The Clerk produces a detailed financial report for review by the Finance Committee at regular intervals in the financial year. Minutes for the October 24 meeting confirmed the following reports were produced:

- Bank reconciliations – all accounts
- Budget monitoring report
- Reserve balances
- Review of outstanding debtors.

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I reviewed the month 6 budget monitoring report produced for this meeting . It is comprehensive, up to date and there was no evidence of material overspends.

### **Final Audit**

Reserves at 31 March 2025 were £332,370 (23-24 £282,168).

Earmarked reserves were as follows at balance sheet date:

CAPITAL FUND/RESERVES	Bal b/fwd	Q1/2 payments	Adjusted reserves	Receipts in year	Q3/4 payments	Bal c/fwd
2024-25	£	£		£	£	£
Traffic & Road Safety Measures	6,000					6,000
Play Equipment (incl Safety Surfaces)	40,000					40,000
Bus Shelters	9,000					9,000
Seating and lighting	3,000					3,000
Holton Pavilion	10,000					10,000
New Pavillion	60,000	-				60,000
Trees	6,000					6,000
Staffing	25,000					25,000
Cadet Hut	10,000					10,000
Littleworth Field	20,000					20,000
CIL	36,210	6,232				29,979
IT supplies - cllrs	2,000					2,000
<b>Totals</b>	<b>227,210</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>220,979</b>

Earmarked reserves are reviewed at Finance Committee meetings – I confirmed the most recent review to the May 25 meeting. Earmarked reserves are held to fund future projects,, support fixed asset repairs and maintenance and contingencies. Earmarked reserves are currently managed on a spreadsheet. It is recommended that these are recorded and managed on the Sage accounting system and reported via balance sheet reporting.

General reserves at year end were £112K. This represents 70% of precept, which is at the higher mid-point of recommended levels set out in the NALC Practitioners’ Guide. This is an acceptable level of general reserve for a Council of the size and activity level of WPC.

The budget and precept for 25-26 were approved at the Full Council meeting on 2 December 2024 – minute 169 for budget and 170 for precept. A precept of £ 169,011 was set. I have reviewed the budget as approved at Full Council, this is published on the Council website. A balance budget was set, with expenditure of £217,197 being met by precept and other income.

### **E. Income**

### **Final Audit**

Precept per box 2 to the accounts was £160,963 (23-24 £149,733). This has been agreed to third party documentation provided by central government.

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Income per box 3 to the accounts was £41,550 (23-24 £61,469).

I reviewed 2 further transactions, selected from the final quarter of the financial year. These were checked from cashbook, to invoice and to bank statement. Correct invoicing was confirmed by checking invoice raised to approved fees ( for magazine advertising).

### **F. Petty cash**

The Council does not use petty cash.

### **G. Payroll**

#### **Interim and Final Audits**

Staff costs per box 4 to the accounts were £65,230 ( 23-24 £58,867).

At the final audit I checked that box 4 to the accounts only includes transactions relating to the employment of staff – salaries / payroll taxes and pensions, plus a deficit payment to the Local Government Pension Scheme.

The Clerk confirmed that all staff have contracts of employment. Payroll is processed in house by the Clerk, using the HMRC Basics package. All monthly changes to the payroll are input by the Clerk, once timesheets have been received and signed off. A company and individual payslip is produced using the payroll system. Payments are then set up at bank, and payments are authorised by councillors as part of the standard payment system. The payroll journal is loaded on to Sage by the bookkeeper.

I carried out testing of payments made to 2 officers in August 24. I was able to agree gross pay per payroll records to pay award letters, authorised by the Clerk ( for other officers) and the Chair( for the Clerk).

I checked the Council's PAYE account with HMRC. There are no overdue payments, and submissions were up to date.

### **H. Assets and investments**

#### **Final Audit**

Fixed assets per box 9 to the accounts were £ 176,390 ( 23-24 £175,840) – increase of £550

I have agreed the balance in the accounts back to the asset register. The asset register appears complete and to record assets at cost or proxy cost, as required by regulations, with sufficient detail to locate all assets listed.

Fixed assets have increased by £550 since last year end, this is due to the purchase of a brushcutter added to the asset register at cost

### **I. Bank reconciliations**

#### **Interim Audit**

The Council has 4 bank accounts. 2 held with Barclays Bank, 2 with Unity Bank. A short term investment is held with CCLA.

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I re-performed the September 2024 bank reconciliation. I found no error in the reconciliation. All balances on the reconciliation were agreed back to sage and to bank statements. Arithmetic was checked. I also confirmed that the detail of bank balances and the reconciliation were reviewed at the October meeting of Finance Committee (minute 29). The bank reconciliation has been signed as reviewed by the Chairman of the Finance Committee.

The Council has an investment policy, as required by regulations, This was updated in February 2024, and the Council appears to be following the investment strategy. It is important that this is reviewed annually to ensure the Council obtains optimum rates of return on cash balances.

### **Final Audit**

Borrowings per box 10 to the accounts were £nil

Cash per box 8 to the accounts was £326,762 (23-24 £279,835)

I re-performed the year end bank reconciliation. I agreed all balances in the bank reconciliation back to the accounting system reports and to bank statements. The year end bank reconciliation was found to be accurate. The bank reconciliation and statements were reviewed by a councillor on 28 April, and reported to the April Finance Committee.

1200 - Barclays Current	16,163.98
1250 - Premium Account	61,228.52
1260 - CCLA Deposit Fund	124,972.29
1270 - Unity Trust Bank Account	13,891.34
1280 - Unity Trust Bank (2)	110,506.03

### **J. Year-end accounts**

Wheatley PC has produced accounts on an accruals basis, this is required as income / expenditure is above £200k. A reconciliation between Box 7-8 of the accounts has been prepared, for external audit review, and creditor and debtor listings support this reconciliation.

### **L.: The Authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements**

Yes, the Council meets the requirement of the Code by publishing information on the Council website, mainly on the accounts and annual returns tab of the website. I checked that the following information was up to date at the time of the final audit:

- Payments data – published to end of March 2025

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- Assets – asset register for 24-25 published
- Grants information - up to date for 24-25

## **M: Arrangements for Inspection of Accounts**

Inspection periods for 23-24 were set as follows

Inspection - Key date	
Accounts approved at Full Council	3 June Full Council
Announcement	4 June
Inspection period begins	5 June
Inspection period ends	16 July
Correct length	Yes

The Council has complied with regulations.

## **N: Publication requirements 23-24 AGAR**

### **Interim Audit**

I confirmed that the Council has correctly loaded the audited accounts, annual governance statement and audit certificate for 23-4 on to the Council website. The conclusion of audit certificate has been correctly published, with a date of 12 September, in advance of the 30 September deadline. This is after the date of the audit certificate (4 September). The audit certificate was reported to Council at the September meeting (minute 114). The audit certificate was clear, with 2 minor matters raised in the "other matters" section of the certificate. The Clerk has challenged one of these points, relating to reserves, as the conclusion reached by external audit is not accurate. I agree with the Clerk's view in this matter, the Council clearly set out earmarked reserves as at 31.3.24, and the general reserve balance was held at an appropriate level.

### **O. Trusteeship**

#### **Interim Audit**

The Council is not a trustee

I would like to take this opportunity to thank you for your assistance with the audit. I attach my invoice for your consideration, together with the internal audit report from the AGAR. I will be in touch during the summer to make arrangements for 25-26 audits.

Yours sincerely



Mike Platten CPFA

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## Appendix A

### Points Forward – Action Plan - Interim Audit

Matter Arising	Recommendation	Council Response
The Council should consider completing a cyber security risk assessment in the next 12 months, with the assistance of the IT support contractor.	This should document controls against known cyber security risks, and identify any training / annual checks that should be carried out to maintain controls in this area	<b>2025-26 audit check</b>
Payments – After Clerk leaves the Council	The Council will need to ensure that a process compliant with financial regulations is put in place to cover the period after the current Clerk leaves the Council.	<b>Actioned</b>

### Points Forward – Action Plan - Final Audit

Matter Arising	Recommendation	Council Response
Earmarked reserves are currently managed on a spreadsheet. .	It is recommended that these are recorded and managed on the Sage accounting system and reported via balance sheet reporting	

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## Appendix B

### Internal Audit Control Objectives – Marked as not covered

Control Objective	Area for Audit	Why this has not been audited
F	Petty Cash	No petty cash at this council
K	Exemption from Limited Assurance Review	Council completed review in 23-24
O	Trust Funds	No trusts at this council

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