

Jane Bromley
Clerk to Plaistow and Ifold Parish Council

24 January 2025

Dear Jane

Plaistow and Ifold Parish Council

Interim Audit

Following the interim audit completed on 23 January, I attach my report for consideration by the Council. This was the first of two audits I intend to carry out to support my opinion on the 24-25 Annual Governance and Accountability Return (AGAR). I covered the following at this visit:

- Review of opening balances and reporting of 23-24 audit opinion
- Follow up previous recommendations
- Testing of expenditure first 9 months of financial year
- Testing of income – first 9 months of financial year
- Risk management and insurance
- Salaries
- Budget monitoring
- Arrangements for inspection of accounts
- Bank reconciliations.

I am pleased to report that overall Council has successfully maintained a satisfactory system of financial control. Recommendations for improvement are set out at Appendix A.

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. The internal audit reports should therefore be made available to all members to support and inform them when they are considering the Authority's approval of the annual governance statement. I am required by Section 4 of 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 testing carried out at the interim audit.

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A - Appropriate books of account have been kept throughout the year

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The Council uses the RBS Alpha accounting system to record day-to-day transactions. The system is used monthly to report and record the financial transactions of the Council and a review of the cashbook shows that all data fields are being entered, the reports are easy to read and logically filed. Key reconciliations are completed monthly. The Clerk is the sole user of the RBS system.

I was able to agree the opening balances in the cashbook back to the audited accounts for 23-24. Box 8 in last year's audited accounts was £87,619. This has been agreed to the opening trial balance figure for cash. I am satisfied that the opening balance on the cashbook is accurate.

The Council's continues to submit VAT returns to HMRC on a quarterly basis. The most recent VAT return was completed for the period October to December 2024. VAT reclaimed was £839, this has been agreed to a schedule of transactions on the VAT report, produced by the accounting system. The claim has been refunded by HMRC, I have checked it into the bank account., 7 January. I am satisfied that the Council is up to date with VAT.

B - The Council's financial regulations have been met, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for

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Standing Orders and Financial Regulations have been reviewed by Council since my last audit. Standing Orders were renewed at the Annual Council meeting (minute c23/60). Financial Regulations were reviewed at the September meeting (minute 103.4.) NALC templates are followed for both documents, with the new NALC template financial regulations now in place at P&IPC.

The Council follows the following process to make payments to suppliers. Invoices are received from suppliers in course of each month. A receipts and payments order is then prepared for each monthly council meeting, listing all receipts and payments to be approved at the meeting. This document is published with the agenda. The receipts and payments order is noted within minutes of the Full Council meeting, and authorisation to pay invoices is recorded via electronic signature from the Clerk, Chairman and Chair of Finance Committee, and 2 other councillors. Once this approval has been obtained, the Clerk makes payment by bank transfer on the Council bank account. I make no recommendation for change.

I sampled a number of transactions, selected from the Council's cashbook for the first 9 months of 24-5. For all transactions tested, I was able to confirm that

- Payments could be agreed to invoices

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- VAT correctly accounted for
- Expenditure appropriate for the Council
- Payment included in a monthly payment list, signed off electronically by the clerk and 3 councillors
- Payment reported retrospectively to a Council meeting and this payment minuted.

C - The Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

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The Council is insured with Hiscox, arranged by Gallaghers, on a standard local council package. The policy was in date at time of audit,

Continuous cover from 01/06/2024 until the policy is cancelled

The Cricket Pavilion is insured, assets insured are listed below:

Item description	Excess	Amount Insured
Total Buildings	£250	£66,543
Gates and fences	£250	£8,390
Fixed outside equipment	£250	£961
Street furniture	£250	£86,599
War memorials	£250	£0
Playground equipment	£250	£62,927
Sports surfaces	£250	£0
Other surfaces	£250	£35,701
Rent receivable	£250	

Money cover is sufficient at £250K.

The Council risk register was reviewed at the Council meeting in June 2024 – minute 079/3. I have reviewed the risk assessment and it appears sufficient for a council of this size. I note the Council has purchased a cyber insurance policy.

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

Interim Audit

The process for setting the budget and precept for 25-26 has been completed. The was considered by the Finance Committee after review by a Finance Working Group. Approval of the precept is recorded in minutes of the January Full Council meeting - minute 07/25/4. A precept of £120K was set, no increase on 24-25. For clarity, I recommend that the budget approved by the Council should also be recorded in minutes, and the detailed budget added to minutes as an appendix.

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The Finance Committee conducts quarterly budget reviews. These are published on the website and in minutes. I checked the Quarter 2 review. This is minuted in Finance Committee minutes. The budget at this time showed a projected underspend on £11K against a budgeted deficit of £7K. The variance is due to unbudgeted expenditure on the village pond, and underspends on the playpark.

I will review reserves at my year end audit.

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

Year end test – minimal non precept and bank interest income.

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

Satisfactory. My testing confirmed that the Council does not use petty cash.

G- Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.

Interim Audit

I tested the Clerk's salary for August 2024. I agreed payment from cashbook to the monthly payroll summary report from WSCC. I then agreed Clerk's pay to payslip. Gross pay was recalculated and agreed back to

- JNC pay award for 23-24 (24-25 not yet agreed at pay date)
- Clerks contract showing pay scale and hours worked

My testing confirmed the Clerk's pay is correctly calculated

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

- Year end test

I – Periodic and year-end bank account reconciliations were properly carried out.

Interim Audit

I was able to confirm that the bank account is reconciled to the cashbook each month and that it is reviewed at Finance Committee meetings. I re-performed the bank reconciliation for December 2024. I tested the following.

- Checked arithmetic
- Agreed balances to RBS accounting system and to bank statements
- Confirmed that the bank reconciliation has been reviewed by Councillor Robinson, evidenced by electronic signature.

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The Council now has an investment policy in place, following on from a recommendation raised last year. This was last reviewed at the June 24 meeting of Full Council.

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, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.

Year end test

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

The requirements of the Transparency Code 2015 do not apply to Plaistow and Ifold Parish Council, as gross income and expenditure is below £200K. However, I can confirm that an archive of AGAR documentation is published as required by regulations alongside other information such as grants awarded.

M - Arrangements for Inspection of Accounts

External audit reported the following matter in the “other matters” section of the audit certificate.

Section 14(1) of the Audit and Accounts Regulations 2015 requires the period of public rights should be a 'single period of 30 working days'. On initial submission, the Council provided a period of 8 working days running from 3 June to 12 June, for review of their records. During the period the council informed us that there was a typographical error on the form and that the wrong month was used and provided a corrected notice. As the notice was initially advertised incorrectly, it is possible an elector could have believed the period had finished. As no member of the public brought this to our attention, we do not believe this prevented anyone from exercising their rights to inspect the Council's records, however care should be taken in the future to ensure the notice is completed correctly.

Care should be taken not to repeat this error, but there is no reason for me not to sign off that the Council has met the requirements of this control objective.

N: Publication requirements 23-24 AGAR

The audit certificate, Statement of Accounts and Annual Governance Statement have been published on the Council website. The external audit certificate is dated 13 August. The Conclusion of Audit certificate is also published, dated 27 August, before the statutory deadline of 30 September. The audit certificate was reported to Full Council in September - minute C/24/103 and a clear audit certificate was reported, bar a minor point a typographical error in the other matters section of the certificate. The Council has met publishing requirements.

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

The Council is the sole trustee of the Plaistow Playing Field Charity (charity 305404). The 23-4 Annual Return has been submitted to the Charity Commission. No independent examination is needed. Reporting requirements have been met. Separate meetings of the trust are held, the Clerk shared minutes of the October 24 meeting.

I attach my invoice for your consideration together. I would like to take this opportunity to thank you for your help with the audit. I will be in touch in February in order to arrange the year end audit. In the meantime please do not hesitate to contact me if I can be of any assistance.

Yours sincerely



Mike Platten CPFA

Appendix A – Recommendations

Points Forward – Action Plan - Interim Audit

Matter Arising	Recommendation	Council Response
Approval of budget and precept	For clarity, I recommend that the budget approved by the Council should also be recorded in minutes, and the detailed budget added to minutes as an appendix.	

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