

Marie Singleton
Clerk to Aldingbourne Parish Council

28 April 2025

Dear Marie

Aldingbourne Parish Council

Final Audit 2024-25

The internal audit for the 24-25 financial year is now complete. I am pleased to be able to report that I have signed off the internal audit section of the Annual Governance and Accountability Return (AGAR) for 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 24-25. 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 remotely on 5 December, this concentrated on in year financial transactions and governance controls. The final audit was carried out remotely on 28 April and concentrated on the statement of accounts and balance sheet.

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

Interim Audit

The RBS Alpha accounting system is used effectively. Financial records were up to date at the time of my audit, and all referencing on the accounting system was clear. The accounts folder is updated each month, upon closure of the accounting period by the Clerk. Key documents, including the trial balance, nominal ledger, bank reconciliation and bank statements are printed and filed in the accounts folder, together with invoices from suppliers, remittance advices and sales invoices.

I reviewed VAT records on the Council's accounting system. The VAT return for the first 6 months of 24-25 was submitted to HMRC on 7 October. I have agreed VAT reclaimed of £9205.45 back to a schedule of transactions on the RBS VAT report. This was credited to the cashbook on 21 October.

As reported at my last audit, the Council has moved to accounting on the income and expenditure basis for 24-25, and as a result of this the opening balance as at 1.4.24 has been restated, with the assistance of RBS, who supply the accounting system. I checked the following:

- Box 8 cash per audited 23-24 accounts was £460,222. Cash accounts per opening trial balance were £460,221.93.
- Box 7 - balances carried forward per audited accounts was £460,222. Restated trial balance as at 1.4.24 shows £489,329. The Council has shown me reasons for this £29,107 adjustment

Add VAT debtors - £7,742

Add prepayment - £21,365

The Council should retain records of this adjustment, this is likely to be reviewed by external audit as part of the 24-25 audit.

The Council reviewed my last audit report at the May 24 meeting of Full Council.

Final Audit

The accounting statements have been agreed back to year end reports produced from the accounting system. All comparatives reported in the financial statements have been agreed back to the audited 23-24 accounts, subject to the restatement of 23-24 accounts, due to the move to accruals accounting. The Clerk shared with me a reconciliation showing reasons for the changes to the 23-24 AGAR figures, these are clear and are ready to be shown to external audit.

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I confirmed that the VAT return for period 1 October 24 to 31 March 25 has been completed and was submitted to HMRC on 4 April. VAT of £4,436 was reclaimed. VAT reclaimed has been agreed to a schedule of transactions produced by the Rialtas system. VAT reclaimed agrees to the VAT control account, as reported on the balance sheet at 31.3.25.

My interim report was considered at the February Council meeting (minute 1488 - c). Minutes show proper consideration of points raised.

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

Interim Audit

The Council has a well-established set of policies and procedures. These are published on the website, and are comprehensive, and subject to regular review. Financial Regulations were updated at the Full Council meeting of May 24. The new NALC template financial regulations have been adopted, these are published on the Council website.

I selected a sample of expenditure transactions at random from the first six months of the financial year. For each transaction selected I completed the following tests:

- Checked payment per accounting system agreed to invoice,
- Checked payment approval noted in minutes of Council meeting,
- Checked payment listing signed by Chairman.
- Confirmed VAT accounting correct on the ledger
- Checked expenditure appropriate for the Council

The Council has a robust system for the authorisation of payments in place and financial regulations were followed for all transactions sampled. The Council is meeting this control objective.

I note a number of asset purchases have been made in 24-25. The Clerk confirmed that the asset register is updated as purchases are made – I will check this at my year end audit.

Final Audit

Non pay expenditure per box 6 to the accounts amounted to £ 122,778, up from £39,170 in 23-24.

I tested 4 further payments and repeated the tests set out at the interim audit. For all payments tested I :

- Checked payment per accounting system agreed to invoice,
- Checked payment approval noted in minutes of Council meeting,

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- Confirmed VAT accounting correct on the ledger
- Checked expenditure appropriate for the Council
- Payment lists signed by councillors (viewed at online audit meeting)

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

Interim Audit

The Council is insured with Zurich Municipal on a standard local council package. The policy was in date at time of audit, with an expiry date of 31 May 2025. Fidelity insurance is set at £ 50,000. This was reviewed by Council as part of the insurance renewal process, and the Council is satisfied that coverage is sufficient, given mitigating controls such as dual signatory bank accounts.

Asset cover appeared satisfactory, with coverage consistent with the asset register. No buildings are insured, with assets insured as follows

Item Description	Sum Insured	Excess
Office furniture	£960.75	£100
7 Noticeboards	£7,783.65	£100
2 Wayside Seats	£945.00	£100
Aldingbourne Community Sports Centre Play Equipment	£95,000.00	£100
3 x Salt Grit Bins	£1,890.00	£100
Community Dog Bins	£1,890.00	£100
Playing Field Litter & Dog Bins	£800.00	£100
Salt/Grit Spreader	£1,050.00	£100
CCTV	£15,225.00	£100
Defibrillator and cabinet	£1,050.00	£100
Fencing	£10,479.00	£100
Heras Fencing	£3,675.00	£100
7 x Ipads	£3,150.00	£100
4 x Laptops	£2,639.00	£100
30 X Litter pickers	£387.45	£100
Printer	£204.75	£100
Hi Vis Jackets	£170.10	£100
Bronze Bench	£1,050.00	£100
Bronze Sculpture	£15,750.00	£100
3 x Bus shelter	£32,800.00	£100
Wood/Plastic Picnic Benches x 7	£3,167.85	£100
Charles Arnold Baker Book	£162.75	£100
Wooden Benches x 6	£2,174.00	£100

The risk assessment for 2024-25 was reviewed and approved at the Full Council Meeting 5.11.24 (minute 1453), after more detailed review at the Finance Committee in October. Further risk assessment reviews are carried out every 6 months. I have reviewed the risk assessment - it appears comprehensive and is actively managed by the Council, feeding into the budget setting process.

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All computer data is backed up by the Council's IT contractor, JNR Computer Services . The Clerk has confirmed with the IT contractor that file back-up procedures are operating properly (email dated 8.11.24). Accounting data is cloud hosted by the software provider, so the Council has assurance that the accounting data is backed up via contractual arrangements.

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 Council is well advanced in preparations of the 25-6 budget. The 3 year business plan has been updated and reviewed by the Finance Committee, and was approved at Council in November 24 - - meeting of 17.10.23. The precept for 25-26 was also agreed at this meeting, a reduction of 3% in precept was agreed.

The Clerk continues to report the Council's budgetary position, as required by financial regulations. I confirmed the quarter 2 budget v actuals report was reported and discussed at the November meeting of Full Council Committee (minute 1453), after review at the October meeting of Finance Committee.

Final Audit

Reserves at 31 March 2025 were £569,835 (23-24 £489,330).

Reserves at 31.3.25 were as follows:

General Reserves	177,496
EMR - ACSC Rebuild	204,320
EMR - Artwork Project Maintena	5,341
EMR - CIL	102,677
EMR - ANP	80,000

General reserves at year end were £177K. This is more than the value of the precept, and is above recommended levels set out in the NALC Practitioners' Guide (general reserves should be 3-12 months of net revenue expenditure). The Clerk has confirmed that the general reserve was artificially high at year end, and the Council has now made decisions to allocate monies to ACSC projects. I will check reserves again at my next audit. I also recommend that the Council records powers for making expenditure on these projects within minutes, as this is an area being reviewed by some external auditors.

The budget and precept for 25-26 were reviewed and approved at the Full Council meeting in February 2025 (minutes 1488d). A precept of £156,675 was set.

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

Interim Audit

The Council generally receives minimal non-precept income. I checked one receipt at my interim audit - £36,809 CIL monies. This was checked to a remittance advice from ADC and to the bank statement.

I will check the precept and other income at my year end audit.

Final Audit

Precept per box 2 to the accounts was £156,254 (23-24 £151,778). This has been agreed to third party documentation provided by central government.

Income per box 3 to the accounts was £93,928 (23-24 £72,343). I reviewed an additional income credit, I was able to agree income back to remittance advice note supplied by the district council, and the credit was checked to the bank statement. The item tested was £47.6K CIL monies.

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

No 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 and Final Audits

Staff costs per box 4 to the accounts were £46,899 (23-24 £45,197).

I tested Clerk's pay for August 24. I agreed cashbook payment back to payslip. From there I agreed gross pay back to contract variation, signed off by the clerk and Cllr Harbord.

I have recommended that the Clerk should obtain login details for the Council's HMRC account. This will enable the Council to log in to the account periodically to ensure all submissions and payments are up to date.

At the final audit, I confirmed that only costs relating to staff employment were coded to box 4 on the accounting statements.

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

Final Audit

Fixed Assets per box 9 to the accounts were £210,552 (23-24 £136,165)

The figure in the accounts has been agreed to the fixed asset register. This is an excel workbook, arithmetic was checked. The asset register correctly accounts for all assets at cost. This follows accounting rules set out in the Practitioners' Guide. The RFO provided details of changes to the asset register in 23-24 as follows

- Assets added to asset register £78,387. Main items are
 - o ACSC play equipment (£43K)
 - o Bus Shelters (£16K)
 - o Village Signs (£9K)
 - o Speed indicator (£4K)
- Disposals - £4K – 7 old iPads were disposed of in year. The iPads were returned to the IT company for charitable donation.

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

Interim Audit

I reviewed the Finance file, and this demonstrated that the Council bank accounts are being reconciled promptly each month, reviewed by a councillor, and balances reported at Full Council meetings. I reperformed the October bank reconciliation and for both bank accounts I was able to:

- Confirm balances back to bank statements
- Check arithmetic
- Confirm cashbook balance to the Council's RBS accounting system
- Confirm the bank reconciliation has been subject to councillor review, properly evidenced on the bank reconciliation and the bank statement.

The Council reviewed the Investment Strategy in May 24. The Finance Committee has recently completed a review of investment options, and approved recommendations to move funds to a number of higher interest accounts at the December meeting.

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Final Audit

Cash per box 8 to the accounts was £565,468 (23-24 £460,222)

I reperformed the year end bank reconciliation. For both bank accounts I was able to agree the balance on the bank reconciliation back to bank statements and cashbook balances recorded on the accounting system . The bank reconciliation was reviewed by a councillor at the April meeting, this has been evidenced on the face of the reconciliation, and bank statement.

I note that the Council has not yet finalised a move of funds to more profitable savings accounts, although this was further discussed at the April meeting of Finance Committee, and the Clerk has confirmed that this is currently being actioned by the Council. This is due to recent councillor resignations, and consequent signatory complications, but the Council intends to look at this again after the May 25 AGM.

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.

Interim and Final Audits

The Council has moved to income and expenditure accounting for 24-25, and RBS have restated the opening balances as 1.4.24, as is required by this process. This is necessary as receipts and payments at APC will exceed £200K for the third consecutive year in 24-25. The accounts have correctly been compiled on the accruals basis, now the council has crossed the 200K threshold of a larger council.

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 Council will also need to meet the requirements of the 2015 Transparency Code now income and expenditure exceed £200k. This is not onerous, Aldingbourne already meets most of the publishing requirements. An example of good practice in this area is :

[Transparency Information - Windlesham Parish Council \(windleshampc.gov.uk\)](http://windleshampc.gov.uk)

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The Council meets the requirements of the 2015 Transparency Code by publishing information on the Financial Transparency tab on the website. This is set up following the model recommended at my interim audit. I tested the following data:

- Expenditure data
- Procurement data

The information was found to be compliant with Code requirements and up to date

M - Arrangements for Inspection of Accounts

Inspection periods for 23-24 accounts were set as follows

Inspection - Key date	23-24 Actual
Accounts approved at Full Council	7 Full Council
Date Inspection Notice Issued	2 June
Inspection period begins	3 June
Inspection period ends	12 July
Correct length	Yes

All regulatory requirements were met in this regard.

N: Publication requirements 23-24 AGAR

The external audit certificate, accounting statements and annual governance statement have been published on the Council website. The conclusion of audit certificate has been published, dated 25 July, before the deadline of 30 September and after the date of the audit certificate (18 July). There is an archive of AGAR documentation on the website, as required by regulations. The Council has met its obligations in this area.

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

The council is trustee of the Westergate Recreation Ground – Charity 277880. The annual return for 23-24 has been submitted to the Charity Commission well before the statutory deadline. The Charity is held as a separate company on RBS, and separate meetings are held. Income and expenditure continue to be below the £25K threshold where an independent examination is required.

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I attach my invoice for your consideration together with the internal audit report from the AGAR. I would like to take this opportunity to thank you for your help with the audit. I look forward to working with you again next year, in the meantime please do not hesitate to contact me if I can be of any assistance.

Yours sincerely



Mike Platten CPFA

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Appendix A

Points Forward – Action Plan - Final Audit

Matter Arising	Recommendation	Council Response
None		

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 had limited assurance review in 22-23

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