

Report to Ashdon Parish Council

Internal Audit of the Accounts for the Period Year Ending 31st March 2025

The primary objective of Internal Audit is to independently review, appraise and provide assurance upon the control environment, making sure that controls are mitigating the Council from increased risk exposure, and to achieve this, the internal auditor will adopt a predominantly systems-based approach to audit.

The Accounts for the year ending 31st March 2025 can be summarized as follows:

Income for year:	£49,983.69
Expenditure to date:	£61,310.83
Precept figure:	£43,160.00
General Reserves:	£22,779.79
Earmarked Reserve:	£52,108.39

The following Internal Audit work was conducted on the adequacy of systems of internal control in accordance with the scope previously approved by the Council with particular emphasis upon the following:

- Review and assess the soundness, adequacy, effectiveness and reliability of financial and performance management systems
- Review and assess the efficiency and effectiveness of internal control arrangements and working practices and make recommendations to improve these where appropriate
- Review and assess the adequacy of procedures to ensure the Council's assets and interests are adequately protected and risks are identified and effectively managed
- Check for compliance with legislation and the Council's integrity and ethical standards, policies and procedures

Comments and any recommendations arising from the review are made below.

Subject & tests conducted	Comments/Recommendations
<p>1. Proper book-keeping. Examination of</p> <ul style="list-style-type: none"> • Cashbook • Reconciliations of cashbook 	<p>The Council uses excel spreadsheets to records its financial transactions from which it is able to produce reports on a receipts and payments basis. Cash books are reconciled on a monthly basis to ensure the accounting records are kept up to date. All receipts and expenditure transactions are referenced with a description as to the expenditure and income being incurred to ensure the integrity of data being input and processed.</p> <p>Scrutiny of the cashbook has ensured that the correct roll forward of the previous financial year cashbook into the new financial year had been achieved and that appropriate accounting techniques were used in the recording of the council's transactions for the year under review.</p> <p>The Clerk has ensured that the cash book remains the focus for day-to-day accounting and is aware that the balancing off and reconciliation to the bank statement remains the most important control over the accounting system.</p>
<p>2. Payment controls. Examination of:</p> <ul style="list-style-type: none"> • Understanding of the process involved for reclaiming VAT • Expenditure controls • Internal Banking controls • Procurement controls • s137 payments • Loans 	<p>VAT has been identified in the cash book and at year-end the VAY recoverable position stood at £2,933.90. It is understood that the Clerk will be submitting a reclaim for this amount to HM Revenue and Customs over the coming months.</p> <p><i>Comment: the clerk, being aware that local authorities are exempt from VAT, has understood that the council is able to reclaim the purchase tax element of non-business activity when the council is not registered for VAT, and has sought to ensure reclaims are made on an annual basis.</i></p> <p>An analysis of the cashbooks confirm that, during the year under review, transfers into the Village Hall account were made for the settlement of VAT reclaims made by the council in accordance with the reclaims for the charity's non-business purposes.</p> <p><i>Comment: council is acting within the parameters of VAT Notice 749 item 6.5 which allows for VAT to be reclaimed when the parish council is acting as sole trustee of a trust provided that it acts as sole managing trustee without payment, that the activities of the trust relate closely to the functions of the parish council and the claims relates to the non-business activity of the trust.</i></p> <p>A selection of random payments were cross checked against minutes, cash book, cheque book, bank statement and invoices and all were found to be recorded / authorised in accordance with proper practices.</p> <p>A further spot check of items paid via the BACS/Direct Debit system from the Council's Accounts were cross checked against cashbook, bank statements and invoices. All were found to be in order. A spot check of payments made under contractual terms were further analysed and all were found to be in accordance with agreed schedules and sums approved.</p> <p>As evidence of best practice, council might wish to implement a procedure whereby the payment schedules submitted to council (along with corresponding minutes) contain the full details of the</p>

	<p>payment to be made along with the “power to pay.” The schedule could be referenced with details of the power being used to incur such expenditure and retained within the council’s files for audit purposes.</p> <p><i>Comment: this procedure would ensure that the council is aware that statutory powers, being granted by parliament, give local councils the choice or opportunity to take action and are therefore discretionary. Like all powers given to public bodies the powers of local councils are defined in detail in legislation and these details may include a requirement to obtain the consent of another body. Local Councils must exercise their powers subject to the provisions of the general law.</i></p> <p>Council continues with its procedure, in accordance with Council’s Financial Regulation 6.2, of retaining a two-tier security system for payments which are settled by cheque. The system ensures that two authorised bank signatories sign the instructions for each payment.</p> <p>It is noted from the minutes of 23rd May 2025, that council approved the progression of an online banking application with Barclays for the settlement of its debts.</p> <p><i>Comment: council should seek to ensure that the two-member signature control is retained to demonstrate that it has safe and efficient arrangements for the controls over money and to ensure that such payments are made in accordance with its own Financial Regulation 6.2 “The council must have safe and efficient arrangements for making payments, to safeguard against the possibility of fraud or error. Wherever possible, more than one person should be involved in any payment, for example by dual online authorisation or dual cheque signing. Even where a purchase has been authorised, the payment must also be authorised, and only authorised payments shall be approved or signed to allow.”</i></p> <p>From a review of the minutes and the invoices submitted, council shows good practice by ensuring that, on receipt of invoices, verification that the relevant goods or services have been received is obtained and invoices checked to ensure that the arithmetic is correct, agreed discounts have been deducted and everything is acceptable regarding reclaiming the VAT. It is noted that post January a nominated councillor checks the authenticity of invoices against cheques being presented at relevant meetings.</p> <p><i>Comment: this procedure of segregation of those checking the invoices versus those authorising payments / signing cheques is demonstration of best practice in terms of internal controls and not only continues to fulfils an internal control objective to ensure the safeguarding of public money but also protects the Clerk from unforeseen errors and omissions.</i></p> <p>Payments made under the LGA 1972 s137 power for the year under review were within statutory limits and deemed to be of benefit to those living in the area.</p> <p><i>Comment: the Council operates the grants or donations within the remit of the eligibility criteria ensuring that the statutory limit is adhered to, and the expenditure is on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitant. The Clerk has ensured that</i></p>
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	<p><i>the Council is aware that the use of S137 of the LGA 1972 (as amended by the Local Government and Housing Act 1989 s36) in granting donations is a capped expenditure and gives the Council the power to incur expenditure which in their opinion is in the interests of and will bring direct benefit to their area or any part of it or all or some of its inhabitants. The benefit obtained must be commensurate with the expenditure incurred and the annual expenditure must not exceed the total electorate multiplied by the annual statutory limit per elector.</i></p> <p>The Council is not using the General Power of Competence.</p> <p>The Council has no Public Works Loan and as such incurred no interest payments for the period under review.</p>
<p>3. Standing Orders & Financial Regulations</p> <p>Examination of:</p> <ul style="list-style-type: none"> • Compliance • Annual Review • Adherence • Appointment of Responsible Financial Officer 	<p>Council's Standing Orders, were reviewed and adopted at the meeting of 17th June 2024 and contain the updated provisions as issued by NALC in 2022.</p> <p><i>Comment: the Clerk has confirmed that at the next review, council will be adopting the NALC updated Model Standing Order (England) 2025 which contain amendments to section 18 to comply with new procurement legislation and ensure consistency with their Model Financial Regulations. The changes are to 18.a.v, 18.c, 18.d, and 18.f. NALC have also updated Model Standing Order (England) section 14 to better reflect Code of Conduct requirements. 14.a, 14.b, and 14.c have been removed and have changed the language in the document to gender-neutral terms to align with their policy and the Civility and Respect Project.</i></p> <p>Financial Regulations (FR), as seen on the council's website show that they too were reviewed and adopted at the meeting of 17th June 2024 and are based on the version issued by NALC in 2024. Those seen have been tailored to the parish council.</p> <p><i>Comment: the Clerk is aware that revisions were made to the Model Financial Regulations on 13th March 2025, and these will be included in the council's next review of its Financial Regulations scheduled for June 16th.</i></p> <p>The Council, in accordance with proper practices and with reference to section 151 of the Local Government Act 1972, has employed a Responsible Financial Officer (RFO) who is responsible for the financial administration of the authority. The position of s151 Officer is being covered by the Locum Clerk.</p>
<p>4. Risk Management.</p> <ul style="list-style-type: none"> • Annual Review and Minuted • Review of risks associated with <ul style="list-style-type: none"> ➤ Financial Management ➤ Cemetery ➤ Building/ Assets • Fidelity Guarantee Cover Insurance <ul style="list-style-type: none"> ➤ Adequate 	<p>The risk assessment documentation submitted for Internal Audit provides details of the risks associated with the functioning of a smaller authority and the measures that the council will undertake to mitigate such risks. The risk assessment documentation, for the year under review, was presented to and adopted by the council at its meeting of 17th March 2025.</p> <p>The documentation seen demonstrates that council is aware that its risk assessment needs to focus on the safety of the parish council's assets and in particular its money, it needs to demonstrate on an annual basis that it has taken actions to identify and assess those risks and that it has considered what actions or decisions it needs to take during the year to manage in</p>

<p>➤ Reviewed</p> <ul style="list-style-type: none"> • Internal Controls documented and regularly reviewed • Insurance Policy reviewed, cover appropriate and adequate 	<p>order to avoid financial or reputational consequences.</p> <p><i>Comment: Council continues to ensure that it acts within the sphere of the controls as adopted and has demonstrated that in accordance with Proper Practices and with reference to the Accounts and Audit Regulations 2015, it has in place safe and efficient arrangements to safeguard public money and that a regular review of the safety of the parish council's assets and in particular its money, is part of the methodical manner in which Council addresses the risks associated with the activities and services it provides.</i></p> <p>Contained within the council's financial risk assessment documentation and with reference to the adopted Financial Regulations there are specific control procedures for payments made by cheque, which, if reviewed on a regular basis, will provide reassurance that the Council has taken steps to identify, assess and record risks associated with actions and decisions it has taken or considered taking during the year that could have financial or reputational consequences.</p> <p><i>Comment: Council has noted that in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, it should conduct a formal review of its system of internal control and should have in place monitoring documents which would identify the risks involved with and the potential for improvements to its arrangements to protect public money. F</i></p> <p>Given comments raised above, the internal auditor is able to confirm that should the council move to the settlement of its debts via bank transfer, the specific control procedures currently in place can be expanded to cover payments made by direct bank transfer.</p> <p>Council's Insurance Document was seen during the time of internal audit and the following were verified: Public / Products liability cover is £10million, Employer's Liability cover is £5million, Fidelity Guarantee is £250,000 and Officials and Trustees Indemnity is £500thousand.</p> <p><i>Comment: Fidelity Guarantee cover at £250,000 is in accordance with guidance, which provides that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants to be received in the following April/May. Council has ensured that balances and cash flow are monitored to ensure that cover is appropriate as balances increase.</i></p> <p>All risk cover is confirmed as being in place for items listed under generic headings for those located within the boundaries of Ashdon. Noting that it is the responsibility of the whole Council to satisfy itself that insurances are adequate and that having identified, assessed and recorded the risks, appropriate measures, such as the appropriate use of insurance cover, council formally recorded via a minute reference in May 2024 that, a formal review had been undertaken of the insurance in place against the asset register and that the insurance should be reviewed with the current provider.</p> <p><i>Comment: in accordance with Proper Practices, Council has identified its key risks and taken steps to manage them in a way which it can justify to a level which is tolerable by transferring the risk and buying in services from specialist external bodies and taking out insurance. Overall Council has understood the requirement to have in place safe and efficient arrangements to safeguard</i></p>
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	<i>public money.</i>
<p>5. Budgetary controls.</p> <p>Examination of:</p> <ul style="list-style-type: none"> • Verification of process of setting of budget • Monitoring of budget • Reserves 	<p>Full Council approved the budget for 2024 - 2025 at its meeting of 19th February 2024. The precept was set at the meeting of 8th January 2024 with the minutes demonstrating that the precept set would be £43,160.00 which whilst the same as that set in 2023 -2024 would result in an increase of £1.31 or 1.2% per annum.</p> <p><i>Comment: the external auditor, in their report for the year ending 31st March 2024, has previously drawn the council's attention to the timing of the consideration of the budget and the precept and council is aware that the Practitioner's Guide requires that the budget be prepared and approved in a timely manner before setting a precept and prior to the commencement of the new year.</i></p> <p>The budget for the year 2025 - 2026 was set at the meeting of 16th December 2024 with the minutes demonstrating that the budget be set at £54,820.00 to be funded from known reserves and the precept. The minutes confirm that the precept was to be set £45,310.00.</p> <p><i>Comment: whilst Council is aware that the preparation of an annual budget is one of the key statutory tasks to be undertaken by an authority, for clarity and transparency it should ensure that the minutes evidence the impact the precept to be levied will have on a Band D Council Tax in percentage as well as monetary terms.</i></p> <p>A review of the budget including detailed income and expenditure position was reported to council during the year under review. Council might wish to consider expanding the reporting mechanisms to ensure that the minutes reflect the formal review of actual with committed expenditure against funds and projected end of year figures.</p> <p><i>Comment: overall council has demonstrated that during the year under review it has followed the recommended key stages as to the budgetary process.</i></p> <p>The Council, as at 31st March 2025, had overall reserves standing at £74,888.18 with general reserves totalling £22,779.79 and earmarked reserves totally £52,108.39</p> <p><i>Comment: Council is aware of the guidance as issued by Proper Practices which states that it is regarded as acceptable for a council's general (non-earmarked revenue) reserves to be equal to 3 to 12 months of Net Revenue Expenditure and should ensure that the level of general reserves adopted is in accordance with its General Reserve Policy. There is no upper limit for Earmarked Reserves, but they should be held for genuine and intended purposes and their level subject to regular review and justification (at least annually).</i></p> <p>Council has followed proper practices by adopting a Reserve Policy noting that the level of general reserves is regarded as a matter of judgement and as such the policy does not attempt to prescribe a blanket level. The policy clarifies the reasoning for the holding of reserves as having three main purposes: a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – this forms part of the General Reserves; a contingency to cushion the impact of unexpected events or emergencies – this also forms part of the General</p>

	<p>Reserves and a means of building up funds (Earmarked Reserves), to meet known or predicted requirements.</p> <p>Whilst there is no upper or lower limit to EMRs save only that they must be held for genuine and identifiable purposes and projects, and their level should be subject to regular review and justification (at least annually and at budget setting) Council has ensure that they are separately identified and that they are held for genuine and intended purposes and their level is subject to regular review and justification. Council's Reserve Policy as adopted (March 2025) confirms that Even at times when extreme pressure is put on the council's finances the council must keep a minimum balance sufficient to pay one month's worth of contractual obligations to staff and contractors in general reserves at all times.</p> <p><i>Comment: In accordance with the council's adopted Reserve Policy, written in line with guidance as issued under the Practitioners Guide, council has undertaken a formal review of the level and purpose of all earmarked reserves and provided explanations as to the high level of general and earmarked reserves being held.</i></p>
<p>6. Income controls. Examination of:</p> <ul style="list-style-type: none"> • Precept • Other income • Debtors 	<p>Council received precept in the sum of £43,160 from Uttlesford District Council for the year in April and September 2024 as reported to full council within its financial reports. Evidence was provided showing a full audit trail from precept being discussed and approved to being served on the Charging Authority to remittance advice showing the precept to be paid and receipt of same in the Council's Bank Account.</p> <p>As a Burial Authority and in accordance with proper practices, council has ensured that it maintains a formal burial register which is up-to-date and accurately held. A review of a sample of payments relating to interments and memorials were conducted at the internal audit review to ascertain whether they can be appropriately evidenced, and fees have been charged at the correct approved rate and recovered within a reasonable time. A review of the council's cemetery fees was last undertaken by the council at its meeting of 17th February 2025. In accordance with guidance, the council acquires and retains copies of burial and cremation certificates.</p> <p>Spot checks on items paid into the council's accounts covering interest and VAT reclaims were cross checked against cashbook, bank statements and remittance advices received. All were found to be in order with a clear underlying audit trail.</p>
<p>7. Payroll controls. Examination of:</p> <ul style="list-style-type: none"> • Management of payroll • PAYE/NIC system in place • Compliance with HMRC procedures • Records relating to contracts of employment • Compliance with Pensions Duties • Treatment of expenses 	<p>At the year-end, council had no employees. The Locum Clerk was appointed under an agreement for services at the meeting of 17th June 2024.</p> <p>It was noted during the internal audit review that the Locum Clerk is to be added to the council's payroll (minutes of 19th May 2025) with agreed hours and rate of pay. Additional hours will be reviewed and approved where necessary.</p> <p><i>Comment: whilst the Internal Auditor is aware that the council is registered with HMRC as an employer, it should note the comment raised by the external auditor that any future employee should be provided with a contract of employment and that the council registers with the Pensions</i></p>

	<p><i>Regulator.</i></p> <p>Council might also wish to refer to its own Financial Regulation 11.6 (Payments of salaries and allowances) which states that “each payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a payroll control account or other separate confidential record, with the total of such payments each calendar month reported in the cashbook. Payroll reports will be reviewed by the finance committee to ensure that the correct payments have been made.” Council should further note its own Standing Order 19f which states that in accordance with standing order 11, persons with line management responsibilities shall have access to staff records referred to in standing order 19. Council is advised to ensure that the written records in relation to employees, including paper records (and payments relating thereto) should be kept secure and confidential.</p> <p>The payroll function for the year under review was initially conducted inhouse and latterly outsourced to ensure that monthly returns are submitted to HM Revenue and Customs in accordance with the prescribed timescales.</p> <p>PAYE as operated prior to the appointment of the Locum Clerk were all found to be in order and operated in accordance with HM Revenue and Customs guidelines. In accordance with Proper Practices, PAYE taxes were calculated and recorded for the employee. Deductions were paid to HM Revenue and Customs on or before the dates prescribed.</p> <p>Council has still to address the issue relating to compliancy with its duties under the Pensions Act 2008 as no evidence has been provided of the council’ declaration (or declaration) of compliance with the Pensions Regulator.</p> <p>Recommendation: council should be aware that every employer must put certain staff into a workplace pension scheme. This is known as automatic enrolment. This is an employer’s legal duty, and councils must let the Pension Regulator know when they have completed the task by completing and submitting a declaration of compliance.</p> <p>For further guidance: https://www.thepensionsregulator.gov.uk/en/employers</p>
8. Petty cash/expenses procedure.	<p>Whilst council does not operate a system of petty cash system it is noted that there is a retained balance of £27.00 annotated in the year-end bank reconciliation.</p>
<p>9. Asset control.</p> <p>Examination of:</p> <ul style="list-style-type: none"> • Asset Register • Checks on existence of assets • Recording of fixed asset valuations • Cross checking on insurance cover 	<p>The Asset Register for year-end reflects those items listed under insurance and within the parish council's remit for maintenance and ownership. The Asset Register currently stands at £143,682 which shows zero movement during the year under review.</p> <p>It is however noted that the minutes of 17th March 2025 reflect council’s intention to write down to £1 a number of the council’s outdated asset costs and that new assets will be added at purchase cost.</p> <p>Council should be aware of the definition of assets as defined by Proper Practises which states that the asset register should contain the date of acquisition, cost of acquisition, useful life estimate and location along with value held for investments; however, it is desirable for the</p>

	<p>register to contain other such supplementary information to enable the user to better understand the nature and scope of the use of the fixed asset. It is therefore recommended to show insurance value, replacement value, custodian and date last physically vouched. It is acceptable for a proxy value to be used where original value is unknown with community assets or gifted assets being given the proxy value of £1.</p> <p><i>Comment: council could consider expanding the asset register to include the replacement/insured cost, the latter being updated annually and used to assist in forward planning for asset replacement.</i></p> <p>Recommendation: whilst it is for the council to choose an appropriate minimum value for deciding between assets and general consumables, council should note that commercial concepts of depreciation, impairment adjustments and revaluation are not required nor appropriate for the above method of asset valuation. The method of asset valuation adopted should be approved by the authority and recorded in the authority's minutes and in the asset register.</p> <p>From a review of the asset register alongside the insurance cover provided, confirmation is given of the overall adequacy of cover of insurance for the ensuing year. Appropriate insurance is in place under generic category headings based on policy declared values.</p>
<p>10. Bank reconciliation.</p> <p>Examination of:</p> <ul style="list-style-type: none"> • Reconciliations • Cashbook • Bank Statements 	<p>Bank reconciliations are completed on a regular basis and reconcile with the cash sheets. Overall there is regular reporting of bank balances to the council.</p> <p><i>Comment: Council is aware that, in accordance with Proper Practices, the bank reconciliation is a key tool for management as it assists with the regular monitoring of cash flow which aids decision-making, particularly when there are competing priorities. In accordance with Proper Practices.</i></p> <p>Council has followed Proper Practices which state that bank reconciliations should be prepared routinely, subject to independent scrutiny and signed by members. Section 2.6 of the newly adopted Financial Regulations states that "At least monthly, and at each financial year end, a member other than the Chair shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign and date the reconciliations and the original bank statements (or similar document) as evidence of this. This activity, including any exceptions, shall be reported to and noted by the council."</p> <p><i>Comment: council should consider implementing a system whereby a member independently reviews the bank reconciliation and confirms, via a minute reference, that such a review has taken place. This is not only good practice but will also be a safeguard for the RFO and will fulfil one of the authority's internal control objectives.</i></p> <p>Reconciled bank balances as at 31st March 2025 agree with the year-end bank statements and the data obtained from the cashbook and banks statements and stand at £74,244.48 across the accounts held in the name of the council.</p> <p><i>Comment: the internal auditor is able to verify the year-end bank reconciliation detail and can</i></p>

	<i>ensure that the combined cash and bank balances as identified are included within the AGAR, section 2, line 8.</i>
11. Internal Audit: Examination of: <ul style="list-style-type: none"> • Reporting of Previous Internal Audit Reports • Review of internal audit • Appointment of internal auditor 	<p>The Internal Audit Report for the period ending 31st March 2024 was considered at the meetings of 16th December 2024 and 17th March 2025 with each meeting being provided with an update on completed actions and the work to be undertaken over the coming year.</p> <p>The following recommendations were raised in the internal audit report for the period ending 31st March 2024:</p> <ol style="list-style-type: none"> 1. Financial Regulation review to incorporate the 2024 amendments 2. Review of system of internal control to include reviews by a non-signatory 3. Review of the adequacy of the council's insurance to mitigate risks 4. Adoption of a General Reserve Policy 5. Location of the Consolidated Stock and War Stock share certificate and consideration as to the merits of the retention of this stock. 6. Responding in the negative to Assertion 4 of the Annual Governance Statement 7. Following amendments to prior year figures, inclusion of the words RESTATED 8. Compliance with Regulation 15 of the Accounts and Audit Regulations 2015 and the provision for the exercise of public rights 9. Publication in accordance with the Accounts and Audit Regulations 10. Compliance with the General Data Protection Regulations requirements 11. Registration with the Information Commissioner's Office 12. Adoption of a Model Publication Scheme 13. Separation of the financial accounts of the Trust from that of the parish council 14. Review of the manner in which apologies are recorded 15. Publication of a website accessibility statement 16. Adoption of a range of policies and protocols to assist in achieving effective governance and administration 17. Adoption of a secure email system with a .gov.uk address <p><i>Comment: council is aware that the annual internal audit report should inform the Council's response to Assertion 2 and Assertion 6 of the annual governance statement and that it should minute its review of the report and actions planned from the outcomes of the AGAR tests and content of the narrative report from the Internal Auditor.</i></p> <p>In order to warrant a positive response to Assertion 7, council is aware that upon receipt of a narrative report, an action plan should be produced and adopted by the council to address the areas of improvement or development as identified within the report. The proposed remedial actions should be identified, report submitted to council detailing the actions undertaken along with information relating to those responsible for delivering improvement and the deadlines for the completion of the action.</p>

	<p><i>Comment: council has sought to address the matters brought to its attention by internal audit and is continuing to progress effective governance with the adoption of a range of policies and protocols.</i></p> <p>In accordance with the Accounts and Audit Regulations 2015, the Parish Council formally reviewed the scope and effectiveness of its internal audit arrangements at the meeting at which the independent internal auditor was appointed for the year under review. Mrs Waples was appointed to act as the parish council's independent internal auditor, for the year 2024-2025 at a meeting of full Council of 17th February 2025.</p> <p><i>Comment: Council has understood the requirements, under proper practices, that it should have in place an audit plan detailing roles and responsibilities for internal audit, audit planning and timing of visits, reporting requirements; access to information; period of engagement and remuneration.</i></p>
<p>12. External Audit Examination of:</p> <ul style="list-style-type: none"> • Reporting of External Audit Report • Publication requirements 	<p>Following a review of the website, it is confirmed that council complied with the publication requirements of the Accounts and Audit Regulations 2015 and published the Interim External Auditor Certificate as issued by the External Auditor dated 19th September 2024 and the conclusion of the audit by 30th September 2024. The external auditor had issued a report detailing the results of their limited assurance review of Sections 1 and 2 of this authority's Annual Governance & Accountability Return for the year ended 31 March 2024. They explained that they were unable to certify completion of the review at that time and had issued an interim certificate to ensure that the council, in accordance with Regulation 20 of the Accounts and Audit Regulations 2015, were able to publish the annual audit letter by 30th September 2024.</p> <p>On 22nd May 2025, the external auditor published its Final External Auditor Report and Certificate 2023 - 2024 in respect of Ashdon Parish Council. Their report has confirmed that the external auditor report given in Section 3 of the Annual Governance & Accountability Return (and as issued on 19th September 2024) required amending as follows: Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.</p> <p>Items raised by the external auditor covered:</p> <ol style="list-style-type: none"> 1. The AGAR was not accurately completed before submission for review. Amendments were required for prior year comparatives. 2. Section 1, Assertion 1 was incorrectly completed and should have been answered in the negative. 3. Section 1, Assertion 2 had been incorrectly completed as council was in breach of Financial Regulation 10.4. 4. Section 1, Assertion 3 was incorrectly completed as council did not have in place a model

	<p>publication scheme nor did it have an email management system.</p> <p>Other matters which did not affect their opinion but which they brought to the attention of the council covered:</p> <ol style="list-style-type: none"> 1. Compliance with the period for the exercise of public rights Council is to note the commentary provided by the external auditor in respect of Assertion 4 of the Annual Governance Statement for 2024-2025 2. Reference to the internal audit report and areas identified for improvement 3. Dispute regarding the accuracy of minutes of meetings held on 19 February and 8 April 2024 4. Formal contract of employment for previous clerk. 5. Challenge correspondence received in relation to the 2023 -2024 AGAR. <p>To view the detailed comments raised within the external auditor report please visit the annual return page on the parish council's website.</p> <p>In accordance with the Accounts and Audit Regulations 2015, as a smaller authority with either income or expenditure exceeding £25,000 but not exceeding £6.5 million, it is confirmed that the Council did comply with the publication requirements for the year ending 31st March 2024 and published the conclusion of the audit and the external audit certificate / report. The notice is dated 10th June 2025.</p> <p>In accordance with Proper Practices, the council is aware that it will need to consider the matters brought to its attention by the external auditor and confirm the process it is taking as corrective action as appropriate. The agenda for the meeting of 16th June 2025 confirms that council will be receiving the external auditor's report.</p> <p><i>Comment: council is aware that, in accordance with Regulation 20 of the Accounts and Audit Regulations 2015, the council as a body needs to consider the matters raised within the external auditor report and decide what action it needs to take to prevent reoccurrence of the issues raised. This consideration and decisions should be formally recorded in the minutes of the meeting at which the final report is considered.</i></p>
<p>13. Year-end procedures.</p> <p>Examination of:</p> <ul style="list-style-type: none"> • Appropriate accounting procedures used • Bank Statements and Cash Book agree • Has the appropriate end of year Annual Governance and Accountability Return (AGAR) documentation been completed? • Where an authority certified itself exempt in 2023 - 24 did it meet the exemption criteria and correctly declared itself exempt? • Was there the opportunity provided for the 	<p>Accounts are produced on a receipts and payments basis. All were found to be in order. There is an underlying financial trail from financial records to the accounts produced.</p> <p>As the Council is a smaller authority with gross income and expenditure exceeding £25,000 but not exceeding £6.5million it will be required to complete Part 3 of the AGAR. Section 1 and Section 2 of the AGAR were originally presented to full council for approval at the meeting of 19th May 2025 and the period of public rights was set accordingly.</p> <p>Following receipt of the Final External Auditor Report and Certificate in respect of 2023 - 2024, council is aware that amendments will be required to the approved documentation for 2024 - 2025. It is therefore confirmed that the agenda for the meeting of 16th June 2025 demonstrates that council will be reconsidering the Annual Governance Statement and Accounting Statements. Accordingly, a revised period for the Exercise of Public Rights has been set for the year ending</p>

exercise of electors' rights during Summer 2024?

- **Have the publication requirements been met in accordance with the Audit & Accounts Regulations of 2015.**

31st March 2025 with relevant information being uploaded to the website on 12th June 2025. The Annual Governance and Accountability Return (AGAR) to be represented to full Council for approval was examined and the following figures agree with those submitted by the RFO for inclusion in Section 2 Accounting Statements 2024 – 2025 (rounded for purposes of the Return):

		2023-2024	2024-2025
Balances brought forward	Box 1	72451	85571
Annual Precept	Box 2	43160	43160
Total Other Receipts	Box 3	16724	6823
Staff Costs	Box 4	6760	10179
Loan Interest / Capital Repayments	Box 5	0	0
Total Other Payments	Box 6	40004	51131
Balances Carried Forward	Box 7	85571	74244
Total Cash and Investments	Box 8	85571	74244
Total Fixed Assets	Box 9	143682	143682
Total Borrowings	Box 10	0	0

As the Council was a smaller authority with gross income and expenditure exceeding £25,000 during the year 2023 - 2024, it was not able to certify itself as an exempt authority. Whilst council provided for a period for the exercise of elector's rights during Summer 2024 it is confirmed that the period was less than 30 consecutive dates in length and the approval of the Annual Governance Statement and Accounting Statement was after the date set for the commencement of the period for the exercise of public rights.

Comment: within the Annual Internal Audit Report, internal control objective test M requires the internal auditor to establish whether the parish council correctly provided for the exercise and published a copy of the required "Public Notice" by ensuring that it clearly identified the statutory 30 working day period when the Authority's records are available for public inspection. This is evidenced by the notice on the website which contains the period for the exercise of public right; details of the manner in which the documents can be inspected; the name and address of the external auditor and the provisions as contained under section 25 and section 27 of the Act.

Recommendation: as instructed by the external auditor, council is advised to answer in the negative to Assertion 4 of the Annual Governance Statement for the year 2024-25.

The Internal Auditor is able to confirm that the council has complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure not exceeding £25,000 and published all of the following for the year 2023 - 2024 on a publicly accessible website:

Annual Internal Audit Report of the AGAR

Section 1 – Annual Governance Statement of the AGAR

	<p>Section 2 – Accounting Statements of the AGAR Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015. Conclusion of the audit Section 3 – The External Auditor Report and Certificate Sections 1 and 2 of the AGAR including any amendments as a result of the limited assurance review. <i>Comment: Council might wish to note that there is a requirement to ensure that the audited Sections 1, 2 and 3 remain available for public access for a period of not less than 5 years from the date of publication.</i></p>
<p>14. Transparency Code. Examination of: <ul style="list-style-type: none"> • Transparency code requirements </p>	<p>Whilst the Local Government Transparency Code 2015 applies to local authorities, including parish councils with annual income or expenditure (whichever is the higher) over £200,000, Councils with income over £25,000 but under £200,000 are expected (but are not legally required to do so) to follow its recommendations. <i>Comment: Council might wish to review its provisions and consider whether it might be able to work towards ensuring compliancy with the requirements of publishing the following data on its website in accordance with the required timescales:</i> <i>Publish quarterly: Individual items of expenditure that exceed £500 (currently published on an annual basis); Government Procurement Card transactions; Invitations to tender for contracts over £5,000; Details of contracts that exceed £5,000.</i> <i>Publish annually: Details of all land and building assets; Grants to Voluntary, Community and Social Enterprise Organisations; Organisational Chart.</i></p>
<p>15. General Data Protection Regulations (GDPR). Examination of: <ul style="list-style-type: none"> • ICO Registration • Model Publication Scheme Compliancy with GDPR requirements </p>	<p>The Council is correctly registered with the Information Commissioner’s Office (ICO) as a Data Controller in accordance with the Data Protection Legislation. During the year under review, council adopted a Publication Scheme (based on the model scheme provided by the ICO) and shows compliance with the Freedom of Information Act 2000 by ensuring that it has provided details as to the classes of information held by the council and the manner in which they may be accessed. Council has taken active steps to ensure compliancy with the GDPR requirements and had adopted a comprehensive suite of policies that provide clear responsibilities and obligations of Ashdon Parish Council in respect of the collecting, using and protecting of personal information in accordance to the provisions of the GDPR. Council has also ensured that it has policies that cover the framework that the public can expect for dealing with requests from individuals who have the right to know what data is held on them, why the data is being processed and whether it will be given to a third party.</p>
<p>16. Responsibilities as a Trustee</p>	<p>The Council is the sole trustee to Ashdon Village Hall Charity (Registration No. 802864). The Charity Commission records the registration as being effective 22nd March 1990 with the charity</p>

	<p>owning/or leasing land and property and has been established to run and maintain the Village Hall for the residents of Ashdon. The reporting to the Charity Commission is up to date with the charity commission website stating that the annual return for the year ending 31st March 2024 was submitted on 25 November 2024 on time whilst the trustees' annual report was received on 3rd December 2024 also on time. Council is kept apprised of any issues arising with the village hall, but it is noted that there is interconnection with the charity accounts and that of the parish council. The Village Hall Management Committee hold separate meetings to discuss matters covering the Trust's transactions in accordance with the trust's documents. Council continues to follow guidance which states that the value of a trust property must not be shown in its books of accounts and on the AGAR as the parish council's property. During the year under review and as agreed at the meeting of 8th January 2024, the council paid the Charity the monies held in its accounts for the White Horse House rental for the period 1st March 2018 to 31st March 2024.</p>
<p>17. Additional comments. Examination of:</p> <ul style="list-style-type: none"> • Annual Meeting • Signing of Declaration of Acceptance of Office • Register of Interests • Minutes • Openness of Local Government Bodies Regulations 2014 • Policies • Accessibility for websites and Mobile Applications • Use of secure email 	<p>Council held its Annual Meeting of the newly elected parish council on 23rd May 2024 with the election of the Chair the first item on the agenda in accordance with legislation.</p> <p>In accordance with section 83(4) of the 1972 Act, Council has ensured that all councillors, on being elected to office have signed a declaration of acceptance of office in the presence of the clerk.</p> <p>Evidence was seen on the District Council's website of the Register of Interests for all serving councillors.</p> <p>In accordance with the Local Government Act 1972 Schedule 12 para 41 (1), Council is aware that the looseleaf minutes and associated documents of the parish council should be initialled and signed by the person chairing the meeting at the time of signature which ensures their lawful providence. The internal auditor draws reference to the commentary from the external auditor in regard to the approval of the minutes of 19th February, 8th April, 2nd May and 23rd May and notes that, post June 2024, at each meeting, the council has approved the minutes of the preceding meeting following corrections to identified errors if applicable.</p> <p><i>Comment: council is aware that LGA 1972 Schedule 12, paragraph 41 allows for the minutes of the proceedings of meetings of a local authority to be recorded on loose leaves provided that they are consecutively numbered and has implemented such a system.</i></p> <p>The Openness of Local Government Bodies Regulations 2014 were enacted on 5th August and came into force on 6th August 2014. These regulations allow for the filming and recording of Council meetings (and other specified public bodies) and provide for access to records (e.g. of decisions made by officers).</p> <p><i>Comment: council has worked towards ensuring that it abides by the regulations and has published a range of information online to ensure it is compliant with the provisions of the 2014 Act.</i></p> <p>The Regulations of the Public Sector Bodies (Websites and Mobile Applications) (No. 2)</p>

	<p>Accessibility Regulations 2018 was enacted on 23rd September 2018. The regulations aim to ensure public sector websites and mobile apps are accessible to all users, especially those with disabilities.</p> <p><i>Comment: Council has reviewed the provisions of the Regulations to ensure that it is compliant and has produced an Accessibility Statement detailing how information will be produced on its website and how to gain access to content that is not readily accessible.</i></p> <p>Following the comment raised in the internal audit review for the previous year, council has adopted a suite of policies thereby ensuring that it is up to date with current legislation, that each policy is fit for the purposes of the council and will be adhered to.</p> <p>Council operates with a .gov.uk domain website which also supports a secure and digitally managed email system. Council has noted the requirement that every authority should have an email account that belongs to the council and to which the council has access.</p> <p><i>Comment: guidance over email management can be found within the Practitioners' Guide for 2025 as produced by SAPP (formally JPAG). Council should note a new Assertion will be introduced for the year 2025-26 which covers Digital and data compliance and the requirement for council to use a secure e-mail system within a council owned domain.</i></p>
<p>The Internal Auditor offers her appreciation for the assistance given by the Clerk in completing this audit. Acknowledging that the primary role of the internal auditor is to provide independent, objective assurance to members and management that key risks are being managed effectively, a number of comments and recommendations have been made in the light of the year ending 31st March 2025 with areas identified that should be expanded to provide independent assurance that the council's risk management, governance and internal control processes are operating effectively.</p> <p><i>For further information and for the year effective 1st April 2025 please refer to Governance and Accountability for Smaller Authorities in England - A Practitioners' Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statements - March 2025.</i></p>	

Victoria S Waples

Date of Internal Audit Visit: 12.06.2025

Date of Internal Audit Report: 13.06.2025

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