Council	**Pirbright Parish Council**	*Electorate Numbers*	**1,255**
Internal Audit Dates	**16.4.2025**	*External auditor*	**PKF**
Name of RFO	**Helen Myers**	*Name of clerk (if different)*	**N/A**
Date of appointment	**1.4.2020**	*Budgeted Precept £*	**£84,835**

Book Keeping	***Yes/No/Not Applicable***	***Comments & Recommendations***
Manual/Computerised:	*Computerised*	*Cash book prepared using Excel spreadsheet. Tabs are linked via pivot tables. Documents are saved to one drive and a backup is kept in the cloud.*
Maintained & Updated regularly?	*Yes*	
Records Kept Accurately? Audit trail from invoices to cash book sufficient?	*Yes*	*Voucher numbers correspond to numbers included on the spreadsheet.*
Frequency of bank reconciliations? Reconciliation carried out on receipt of bank statement?	*Yes*	*Carried out monthly.*
Year end reconciliation correct? Any unexplained balancing entries/old cheques outstanding?	*Yes*	*Correct.*
Evidence of internal control? Independent check of data entry and review of bank reconciliations?	*Yes*	*An annexe to the meetings includes a summary of the receipts & payments in the month, together with a cash and bank reconciliation and a printed version of the statement downloaded from online banking, which is dated and signed off in Council. There is also an independent review of the vouchers and of the bank reconciliations.*

Standing Orders & Financial Regulations	Yes/No/Not Applicable	Comments & Recommendations
Date Standing Orders (SO) & Financial Regulations (FR) adopted	Yes	
Have the FR been reviewed regularly and tailored to the Council & SO reviewed annually?	Yes	FR and SO's reviewed regularly and tailored, with reference to the electronic sign request system. For example, 9.4.24 meeting minutes detail the authorisation of regular payments as per FR 5.6 and 11.6.24 minutes include an item pertaining to the adoption of the new NALC Model FR into Governance.
Have quotes/tendering limits been observed? Evidence of best value being sought?	Yes	Evidence in minutes throughout the year of quotes being reviewed and decisions made.
Purchase orders raised for all expenditure?	Yes	Purchase orders are used for most items - these are recorded by date and a spreadsheet is maintained and updated when goods and/or services are received.
Payments in cash book supported by invoices and recorded in minutes and authorised?	Yes	All payments made by online banking are made using a 2-tier approach. Once payment has been approved by 2 councillors using the electronic sign request system and approved by the clerk, the payments are entered into the online banking system by the clerk/RFO and then released by a separate user. Detailed checks of June 24, Sept 24 & Feb 25 vouchers carried out. A separate review is carried out after the payments have been made.
VAT Identified recorded and reclaimed regularly?	Yes	VAT recovered monthly at the start of the year due to the Pavilion project costs and includes VAT in connection with costs associated with Lord Pirbright Hall. Returns agree to cash book totals.
Legal powers identified in minutes/and or cash book? Does the general power of competence apply?	Yes	The legal power is included on the list of payments authorised in Council meetings and the general power of competence does apply.
Agenda for meetings circulated and made available to the public 3 clear days before the day of the meeting?	Yes	The agenda pack is distributed to members by e-mail 3 clear working days prior to the meetings. A copy of the agenda is published on the website and on public notice boards. Dates for the meetings held on 11.6.24 and 11.3.25 checked and appropriate notice was given.
Are S137 payments separately recorded and within limits and of direct benefit to the electorate?	Yes	
Does the Council have an equal opportunities policy?	Yes	An equality and diversity policy reviewed and approved during the prior year and published on website.
List of member's interests held?	Yes	Members pecuniary interest forms published on website.

Minutes kept in accordance with legal requirements? Consecutively numbered and initialled on each page?	Yes	The numbers start from 1 each meeting and are initialled on each page by the chair of the meeting and signed on the final page.
Does the Council need to produce/approve an annual investment strategy?	No	

Have any new or amended bank mandates been approved and any limits established?	*Yes*	*Reviewed on 10.09.24. Bank mandates and signatures reviewed (min ref 6.5).*
Does the transparency code for smaller authorities apply? Annual turnover < £25K	*No*	*Although the council is not required by law to follow the 2015 Local Government Transparency Code, it is recommended best practice for councils to follow the principles of the code.*

Risk Management	***Yes/No/Not Applicable***	***Comments & Recommendations***
Does a scan of the minutes reveal any unusual activity?	*No*	*No unusual activities noted.*
Annual risk assessment carried out?	*Yes*	*During the 7.5.24 meeting, the Risk Management policy was reviewed and approved - min ref 6.7. Risk assessment published on website.*
Health & Safety risk assessment carried out? Children's Play area inspections carried out?	*Yes*	*Health and safety part of annual risk assessment. The children's play area inspection report was completed on 5.8.24. Weekly playground inspections are also carried out and a record of results are stored electronically.*
Level of fidelity insurance adequate?	*Yes*	*£250K Fidelity cover - no change. This is sufficient to cover the bank balance as at the year end and expected income, including the precept.*
Insurance reviewed and updated for new items?	*Yes*	*Insurance policy dated 1.10.24 covering 29.9.24 - 28.9.25 (29.9.25 renewal date). First year of 3-year contract.*
Has a statement of internal control & a review of the effectiveness of internal controls been carried out?	*Yes*	*An updated statement of internal controls was reviewed and approved on 10.9.24 - min ref 6.4, which includes the effectiveness of internal control.*
Issue's arising from external audit considered, addressed and action plan documented?	*Yes*	*Considered during meeting dated 15.10.24, min ref 6.4. No issues noted in minutes; action plan N/A.*
Issue's raised by internal audit considered and addressed? Action taken?	*Yes*	*The internal audit report was considered in Council during the meeting dated 7.5.24; min ref 6.3 details that members discussed the content and recommendations in the report. The suggestion related to the internal control surrounding bank reconciliations and bank statements, noting that the original bank statements should be collated and signed with the online statements for reconciliation purposes and that both statements should be kept together in a single folder.*
Has a review of the effectiveness of internal audit been carried out within the last 3 years?	*Yes*	*A review of the effectiveness of internal audit was last recorded on 7.5.24 - min ref 6.3. Discussed as part of the internal audit report review.*

Budgetary Controls	***Yes/No/Not Applicable***	***Comments & Recommendations***
Budget prepared to arrive at precept amount?	*Yes*	*Discussed during meeting on 2.1.25. Precept spreadsheet circulated prior to meeting (draft 25/26 budget and precept request discussed during 12.11.24 meeting, min ref 6.4) with alternative budget options. Minutes refer to budget options being discussed, taking into account projects and changes in services. Min ref 6.4 details vote and agreement of precept of £87,820 for 25/26.*
Regular monitoring of actual expenditure against budget?	*Yes*	*Quarterly reviews of actual expenditure against budget recorded in the minutes and noted that expenditure was on track.*
Do the minutes indicate that monitoring is occurring?	*Yes*	*Quarterly minutes refer and signed budget monitor with minutes.*
Excessive reserves maintained? Earmarked reserves identified?	*No*	*Bank balance at year end is £77,709 which is less than the annual precept. Reconciliation of project progress and earmarked funds provided - £31,749 (2023 - £42,821).*
Are significant variances explained?	*Yes*	*A reconciliation of the year end variances has been prepared and explanations provided.*
Precept set by 31 Jan and correctly minuted?	*Yes*	*Precept agreed at £87,820 during 2.1.25 meeting - min ref 6.4 (24/25 - £84,835). This is one of three options (budget C) presented during the 12.11.24 meeting and represents the highest % increase on the previous year out of the three options (at 3.5%).*

Income Control	***Yes/No/Not Applicable***	***Comments & Recommendations***
Precept received agrees to budget?	*Yes*	*£84,835 received for 24/25 as expected.*
Rents collected regularly and agree with published rates?	*N/A*	
Income properly recorded and banked promptly?	*Yes*	*Apart from the precept, most receipts are grants paid direct to the bank account.*
Rental rates reviewed and documented?	*N/A*	

Petty Cash Procedures	***Yes/No/Not Applicable***	***Comments & Recommendations***
Material?	*No*	*No cash held. Expenses reimbursed by online payment.*
Imprest system in place?	*No*	
Cash securely kept?	*N/A*	*Empty cash box held by the clerk, in locked cupboard.*

Payroll Controls	Yes/No/Not Applicable	Comments & Recommendations
Contracts of employment held?	Yes	Letters of employment issued to all staff. Copies held by clerk.
Any changes to salary scale agreed & minuted?	Yes	Salary increase discussed and agreed on 9.4.24 - min ref 6.3. Flat rate pay award discussed and agreed on 12.11.24 - min ref 6.3.
Payment of wages approved and agreed to payroll records?	Yes	Payments agreed and payments made agree to the payroll records.
PAYE & NI calculated correctly and paid to HMRC?	Yes	Payments made as expected. The figures include calculations on behalf of employees of the Lord Pirbright Hall Charity. The charity meets the costs of the employees. The payroll processing is outsourced to Maxwell & Co accountants. The payroll is maintained by staff not involved with the internal audit process.
Employment status of staff correctly identified?	Yes	Clerk treated as an employee, as are the new starters.
Pension obligations met - auto enrolment?	Yes	All payments made as expected and auto enrolment regulations adhered to.
Expense payments made according to agreed rates?	N/A	No expenses payments made in connection with employment. Only Council related expenses reimbursed.
Does the Council have adequate insurance cover?	Yes	Employers Liability remains at £10 Million.

Asset Controls	Yes/No/Not Applicable	Comments & Recommendations
Does an asset register exist for all material assets?	Yes	Excel based spreadsheet held on clerk's own laptop, which is backed up.
Is the register up to date including current year additions and disposals?	Yes	Reconciliation of additions/disposals made in the year. 1 addition verified and historic Sandpits car park resurfacing removed from register. The LPH assets, which has historically been included, have also been removed - per the Good Practitioners Guide, trust assets held by the authority as managing trustee should be recorded on the authority's asset register but excluded from the total.
Is the value of individual assets recorded at cost or proxy value, if applicable?	Cost	
Has a reconciliation of the asset register against the insured values been carried out?	Yes	A reconciliation of the insurance values has been carried out as part of the fixed asset register review.
Is the register reviewed and the review documented?	Yes	Fixed asset register (23/24) reviewed on 9.4.24 - min ref 6.5.

Year End Procedures	Yes/No/Not Applicable	Comments & Recommendations
Year end accounts prepared on correct accounting basis? Gross income/expenditure < £200K	Yes	Receipts and payments basis.
Bank reconciliation includes a cash book summary to meet external audit standard?	Yes	Bank reconciliation format completed.
Sufficient audit trail from cash book to annual accounts?	Yes	
Were any changes made to last year's figures? If so, has the column been annotated 'restated'?	No	
Has Council agreed, signed and minuted sections 1 & 2 of Annual Governance & Accountability return (AGAR)?	Yes	It was recorded in the minutes, dated 7.5.24, that the governance statement and the annual accounts were reviewed, agreed and then signed - min ref 6.4 & 6.5.
Has sections 1 & 2 of the AGAR been published on the Council website together with details of public rights?	Yes	The website shows the signed governance and annual accounts for the year ended 31 March 24 and the notice of public rights dated 20.5.24. These agree to the minutes.
Has the External auditors review been published on the website?	Yes	The auditor's certificate for 23/24 dated 10.09.24 is displayed on the website. The notice of the conclusion of the audit has been published on the website dated 13.9.24.
Does the Council act as a sole trustee?	Yes	Trustee for Lord Pirbright Hall (LPH) - Independent examination of accounts for LPH to be carried out and figures for LPH are correctly excluded from the accounting statements of the Council.

Other Comments & Recommendations

This checklist has been completed to assist the Council in meeting its obligations for completing the AGAR. To ensure transparency, we have enclosed the detailed findings from our audit work with comments and recommendations highlighted in red. The audit checklist covers issues beyond the financial figures reported by the Council and the internal control objectives included in the Annual Internal Audit Report (AIAR).

The AIAR has been completed and should be forwarded to the external auditors together with sections 1 & 2 of the AGAR.

The recommendations that have been made are to ensure that the Council operates effectively and continues to meet best practice. The comments refer to issues that require action or improvement. ***The Council should ensure that it has reviewed the documented internal controls of the Council and the AIAR before completing the AGAR.***

In all significant respects, the control objectives were being achieved throughout the financial year to 31 March 2025 to a standard adequate to meet the needs of the Council.

Thank you to Helen Myers for her assistance during the internal audit.

More guidance on completing the AGAR and the issues raised above can be found in the Governance & Accountability for Smaller Authorities in England - a Practitioners Guide to Proper Practice's. The latest version is March 2025, and this can be downloaded from www.nalc.gov.uk.

Date: 17/04/2025	***Name of Internal Auditor: Ben Sharpe, Maxwell & Co***	***Signature:***