

## REPORT BY INTERNAL AUDITOR

### ANNUAL AUDIT 2024/25 AND OTHER MANAGEMENT MATTERS

#### EDLINGHAM PARISH COUNCIL

#### BACKGROUND TO REPORT

Rather than repeat my detailed background to this Report I would recommend Councillors to refer to my comments as set out in my introduction to the Annual Audit Report for 2023/24 dated 27<sup>th</sup> April 2024.

For smaller Councils, where the higher of gross income or gross expenditure was £25,000 or less, that meet the qualifying criteria, can claim Exemption from a limited assurance review. In which case no external audit will be required but nevertheless a report from an independent Internal Auditor should still be commissioned to complete the relevant AGAR Form.

I have been advised the Council will make such a decision to Claim Exemption at its Annual Meeting to be held on 6<sup>th</sup> May 2025 and that the Annual Audit has to be submitted by 30<sup>th</sup> June 2025.

#### CARRYING OUT THE AUDIT

I discussed the audit with the Clerk by email and ZOOM at various times during the period 27<sup>th</sup> March to 29<sup>th</sup> March 2025.

As the discussions took place over the internet I could not examine all relevant documents at first hand so my findings are based on a series of random selections.

In my Report for the 2023/24 Audit I identified:-

#### MATTERS REQUIRING ATTENTION

a) To show the split between the net amount paid and vat when reporting any payments to the Council.

I noted that there was only one transaction during the financial year which attracted vat but the split was not recorded in the Minutes. Hopefully any future invoices reported to the Council will show any such split where appropriate.

Turning now to the year ending 2024/25:-

#### BUDGET 2024/25

The Budget and Precept were agreed by the Parish Council at its Meeting held on 2nd November 2023 as follows:-

*2023/52/03 To consider budget requirements 2024-2025*

*It was resolved to approve the budget requirements 2024-2025*

*Minute No 2023/57/01 and 02 refers.*

*It was resolved to approve the precept requirements of £700 for 2024-2025*

The final out-turn figures for both receipts and payments were both within reasonable parameters of the original budget adopted by the Council at its Meeting held on 2<sup>nd</sup> November 2023.

*Receipts*

Other than the Precept, the main source of other receipts was the recovery of vat (for an invoice received in 2023/24) for £17.17.

## **VAT**

I noted that there was only one transaction which attracted vat which was for £18 which was claimed from HMRC in 2025/26.

## **PAYMENTS**

### ***Invoices***

All invoices received appear to have been referred to the Council for approval and were in keeping with any previous authority to incur such expenditure.

### ***Bank Charges***

I understand the Council's bank, Lloyds Bank, now makes a monthly charge for its services. The amount for 2024/25 was £9.

### ***Donations***

No donations made.

## **END OF YEAR BALANCES**

I examined the bank statements for the year and found that the year end balances were in line with the opening balances when adjusted for income/expenditure during the year.

The balances to be carried forward from 2024/25 to 2025/26 are £774.17 compared with £975.26 which were carried forward from the year ending 2023/24 to 2024/25.

The balances equate to around 10 months current running costs for the Council.

External audit guidelines for balances are usually under 12 months running costs unless major works etc are proposed or there is an element of ring fencing, or carrying over, involved.

## **WORKS UNDERTAKEN DURING 2024/25**

None noted.

## **LONG TERM PLANS**

I understand that currently there are no long term plans for any major projects in the Parish.

## **GENERAL MANAGEMENT MATTERS**

### **PAYE**

I understand that the Clerk's salary is subject to PAYE and administered via the HMRC Basic Pay Tools database.

## **EXPENDITURE GREATER THAN £100**

These can be found in the Council's minutes.

## **INSURANCE**

The Councils cover is provided by Northumberland Council's Insurers

### ***The Fidelity Guarantee Cover***

I understand that the Fidelity Guarantee Cover is £50,000 which is more than adequate for the Council's purposes.

### ***Claims***

I understand that there were no insurance claims made by or against the Council in 2024/25

### **CLERK'S SALARY AND TERMS AND CONDITIONS**

I understand that the Clerk's pay was addressed at the Meeting held on 12<sup>th</sup> November 2024 following the review of the NJC Pay Scales'

### **TENDERS/QUOTATIONS**

I understand that no tenders or quotations were sought during 2024/25.

### **BANKING ARRANGEMENTS**

I understand that the Council banks with Lloyds and that £9 charges were incurred in 2024/25.

Subject to receipt of the Bank Statement for period ending 31 March 2025 all transactions appear to have been accurately recorded on the various Statement received during the year.

### **PETTY CASH**

I was advised that no Petty Cash is held.

### **OTHER MATTERS**

### **MINUTES**

I carried a random check on the minutes of a Meeting being signed and dated by the Chairman and found these to be in order.

### **POLICY STATEMENTS**

#### ***Review of Internal Audit Controls***

I noted that "Members considered the Statement of Internal Controls" at a Parish Council Meeting held on 4<sup>th</sup> February 2025 and agreed that the Internal Controls were sufficient for the present needs of the Council.

Minute No 2025/10 refers.

#### ***Asset Register***

I noted that "Members considered the Asset Register" at a Parish Council Meeting held on 5<sup>th</sup> February 2025 and agreed that it was accurate.

Minute No 2025/12 refers.

#### ***Risk Assessment (including Financial Risk Assessment)***

I noted that “Members considered the Risk Assessment” at a Parish Council Meeting held on 5<sup>th</sup> February 2025 and had agreed that it was sufficient for the needs of the Council.

Minute No 2025/13 refers.

### ***Code of Conduct***

The Council has adopted the NALC Code of Conduct 2011

## **A NOTE ON THE 2025/26 BUDGET /PRECEPT PROCESS**

### ***Budget/Precept for 2025/26***

This was considered at a Parish Council Meeting held on 12<sup>th</sup> November 2024 as follows:-

2024/54/02     Members are asked to approve budget requirements 2025-2026

#### **RESOLVED:**

Members approved the budget for 2025-2026.

2024/54/03     Members are asked to approve the precept requirements 2024-2025\*

Parish Council had been asked to fund towards possible floodgate. Members agreed this was not feasible. The disbanded Edlingham Community Association were to pass their funds of £18,000 to the Church community, which would be ring fenced for use within Edlingham parish.

#### **RESOLVED:**

Members approved the precept for 2025-2026, to be retained at the current level of £700.

\*I noted that the financial year quoted was 2024/25. It should be 2025/26 and needs to be reported accordingly.

For comparison purposes the Parish Council Tax Band D amounts for 2024/25 and 2025/26 are as follows:-

2024/25

Band D £7.62 the Precept was £700

2025/26

Band D £7.00 the Precept was agreed at £700.

A decrease of just under 10% on the Band D amount

## **THE RESPONSE TO THE AUDIT FOR 2024/25**

Following a detailed discussion with the Clerk, and having reviewed a range of documents and other records, I came to the conclusion that I could respond YES or NOT COVERED where appropriate to each of the objectives identified by the external Auditor.

## **QUALIFICATIONS ON THE AUDIT**

My report is based on a limited review of the Council's accounts and is not a full audit and should not be taken as approving the Council's accounts 2024/25.

The purpose of this report is to be satisfied that the Council has adequate systems in place to meet the numerous control objectives sought by the External Auditor and to recommend possible improvements to the Council's existing systems.

M. G. Ackroyd, Internal Auditor

1<sup>st</sup> April 2025

