

Annual Internal Audit Report 2024/25

SLYNE WITH HEST PARISH COUNCIL

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During the financial year ended 31 March 2025, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2024/25 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for. <i>SEE ATTACHED</i>		✓	
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
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, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")</i>			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(during the 2024-25 AGAR period, were public rights in relation to the 2023-24 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set)</i> .	✓		
N. The authority has complied with the publication requirements for 2023/24 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .	✓		

O. (For local councils only)	Yes	No	Not applicable
Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

17/04/2025 02/06/2025

Name of person who carried out the internal audit

Malcolm R. Richardson

Signature of person who carried out the internal audit

[Signature]

Date

02/06/2025

***If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).**

****Note:** If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2024/25

We acknowledge as the members of:

Slyne with Hest Parish Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2025, that:

	Agreed		
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓

***Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.**

This Annual Governance Statement was approved at a meeting of the authority on:

16/06/2025


and recorded as minute reference:

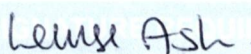
3617/ 3620

Signed by the Chair and Clerk of the meeting where approval was given:

Chair

Clerk

 16/6/25

 Louise Ash

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Section 2 – Accounting Statements 2024/25 for

Slyne with Hest Parish Council

	Year ending		Notes and guidance
	31 March 2024 £	31 March 2025 £	
1. Balances brought forward	93,144	91,727	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	65,000	69,550	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	46,885	20,880	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	18,479	26,759	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	94,824	67,447	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	91,727	87,951	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	91,727	87,951	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	263,433	285,037	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)				The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)				The figures in the accounting statements above exclude any Trust transactions.

I certify that for the year ended 31 March 2025 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

Leise Ash

Date

16/6/2025

I confirm that these Accounting Statements were approved by this authority on this date:

16/6/2025

as recorded in minute reference:

3617 / 3620

Signed by Chair of the meeting where the Accounting Statements were approved

AEG 16/6/25

Section 3 – External Auditor’s Report and Certificate 2024/25

In respect of SLYNE WITH HEST PARISH COUNCIL

1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02 as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/> .

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2025; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

2 External auditor’s limited assurance opinion 2024/25

(Except for the matters reported below)* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return 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. (*delete as appropriate).

(continue on a separate sheet if required)

Other matters not affecting our opinion which we draw to the attention of the authority:

(continue on a separate sheet if required)

3 External auditor certificate 2024/25

We certify/do not certify* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2025.

*We do not certify completion because:

External Auditor Name ENTER NAME OF EXTERNAL AUDITOR

External Auditor Signature SIGNATURE REQUIRED Date DD/MM/YYYY

AUDIT REPORT BY THE INTERNAL AUDITOR TO SLYNE WITH HEST PARISH COUNCIL

FINANCIAL YEAR ENDING 31 MARCH 2025

I confirm I have, on the 17th April and 2nd June 2025, undertaken an internal audit for the period 1st April 2024 to 31st March 2025 in accordance with the Account and Audit Regulations (England) 2015 and incorporating any new requirements as outlined in "Governance and Accountability for Local Councils" A Practitioners' Guide (England) March 2024.

The Local Audit and Accountability Act 2014 and the Accounts and Audit (England) Regulations 2015 require a Council to publish the Notice of Public Rights and the unaudited Annual Governance & Accountability Return.

The Clerk/Responsible Financial Officer (RFO) undertook the requirement and all necessary information was publicly displayed dated 22nd May 2024 advising documents were available for inspection from 3rd June until 12th July 2024.

Section 20(2) of the Local Audit and Accountability Act 2014 and the Accounts and Audit (England) Regulations 2015 /2020 require a Council to publish, as soon as reasonably practicable, after the conclusion of the audit, a statement on the website that the audit has been completed.

This requirement has been undertaken. The Annual Governance and Accountability Return, (AGAR) with all attendant information, was publicly displayed on the Council website, having been received from the External Auditor, ensuring compliance with all aspects of the Regulations.

The Council received an unqualified audit report from the External Audit.

Detailed below are the findings of the Internal Audit

1. Proper Bookkeeping

The Council operates Receipts and Payments accounts as required by the Regulations. Those accounts record receipts and payments under specific budget headings allowing immediate identification of spending in each budget sector. The accounts are balanced monthly and also record cumulative spending to date.

2. Financial Regulations, Standing Orders and Transparency Code

Financial Regulations and Standing Orders are current and include all recent legislation. However, the Council didn't comply with the Financial Regulations regarding the authorisation of bank payments and the disclosure of salaries and my statutory report details this non-compliance.

The Council has fulfilled its statutory obligations under the Transparency Code and has a comprehensive website in a format easily understood by the elector.

3. Invoice procedure

There is a clear audit trail from the financial records, supported by invoices, and all payments are authorised and duly recorded in the minutes. A random check was made of all payments.

4. VAT

VAT was identified on purchases for the period ending 31st March 2025.

5. Section 137 Payments

The RFO has identified and adhered to the statutory requirement to maintain 'a separate account' of expenditure under Local Government Act 1972 section 137 by the inclusion in the records of a separate accounting column.

Expenditure identified under this power – £489.00.

6. Risk Management

The Council has documentation clearly identifying risks associated with activities undertaken by the council both financial and physical. The Risk Assessment 2025/26 was approved at the meeting held on 17th February 2025.

7. Minutes

The Minutes clearly document the activities of the Council and there is no evidence of unusual financial activity. Loose-leaf minutes are verified by the signature of the Chairman.

8. Register of Interests

Members have duly completed the Register of Interests and fulfilled their obligation to keep it updated.

9. Budget Control

A correct budget process is in place and the budget is regularly monitored. Forecasting over/under budget spending identifies variances, which are addressed if required.

10. Cash Balances

The cash balances at the bank of £87,951 are considered adequate to enable the Council to fulfil the obligations in the 2025/26 budget.

11. Income Control

All income is recorded and promptly deposited at the bank. There is no cash income.

12. Payroll Control

All PAYE/NIC records are up to date and submissions to HMRC are made in real time online.

13. Asset Control

The Asset Register documents assets held by the Council. Acquisitions and disposals in the current financial year have been adjusted and the assets at 31st March 2025 are £285,037. All assets are adequately covered by insurance.

14. Bank Reconciliation

Bank Reconciliations are carried out on receipt of bank statements and accurately portray the financial position of the Council. It is confirmed that there are no unexplained balancing entries.

Conclusion

I confirm that Slyne with Hest Parish Council is compliant with all Account and Audit Regulations and statutory requirements with the exception of the Financial Regulations note above.

In concluding my report, I wish to express my appreciation to the Clerk/RFO for her assistance with queries and the thorough preparation and availability of all documents, which expedited the audit process as a result of accurate and transparent records.

Malcolm R Richardson
Internal Auditor
2nd June 2025

Malcolm R. Richardson

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The Councillors
Slyne with Hest Parish Council
The Memorial Hall
Hanging Green Lane
Slyne with Hest
Lancaster
LA2 6JB

2nd June 2025

Dear Councillors,

I refer to my Internal Audit Report 2024/25 and my response "No" to internal control objective B.

Firstly, the Parish Council didn't comply with its Financial Regulations as it adopted a banking policy which authorised payments due at a council meeting but, when making the payments, didn't authorise them at the bank but permitted payments to be made on one signature only – that of the Clerk. This not only contravened the Financial Regulations but, against proper practices, permitted the Clerk to make payments to herself.

It is acknowledged that the bank used at the time didn't have a dual authorising facility but cheques should have been used until the Parish Council changed bank.

I understand that the Parish Council has recently changed bank and that the correct procedures are now being followed.

Secondly, the Parish Council didn't comply with its Financial Regulations as it didn't disclose a figure for salaries and pension contributions paid from September 2024 onwards. This has been corrected from April 2025.

Yours sincerely,



Malcolm Richardson