

# Internal Audit Report

(to be read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return)

Name of council:	Stonesfield Parish Council		
Name of Internal Auditor:	Kirsty Buttle	Date of report:	2 <sup>nd</sup> June 2025
Year ending:	31 March 2025	Date audit carried out:	28 <sup>th</sup> and 30 <sup>th</sup> May, and 2 <sup>nd</sup> June 2025

*Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the council through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council in order to detect error or fraud. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.*

**The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.**

## To the Chair of the Council:

I completed the year-end audit review of Stonesfield Parish Council remotely between 28<sup>th</sup> May and 2<sup>nd</sup> June 2025. I would take this opportunity to thank Cherie for her responses to my enquiries.

I reviewed the information available on <https://stonesfield.online/parish-council/>

I was able to access the majority of documents on the website and was provided additional documents by the Clerk by e-mail. By examination of these documents and records plus further questioning, I tested aspects of the Council's internal controls as required for the Internal Audit section of the Annual Return.

It is clear that the Parish Council has had a very difficult year with a lot of changes in staff and councillors over a short period of time.

I would like to point out the following which do not affect the responses made in the AGAR Annual Internal Audit Report but should be considered for the new financial year:

- There were occasions where a spend was agreed under a general heading, in particular under 'Clerk's Report', that didn't make it clear that you were proposing to spend. Items requiring a decision, particularly those resulting in spending of public money, must be specified on the agenda as per the Local Government Act 1972, Sch 12, para 10(2)(b).
- As was also raised in last year's Internal Audit, Sections 1 and 2 of the 23-24 AGAR were approved before the receipt and review of the Internal Auditor's Report for that year which does not follow the order required as per the AGAR instructions which requires the Internal Auditor's Report to be received and reviewed before completion

of Section 1 - The Annual Governance Statement (AGS) in order to inform your responses to the statements on the AGS.

I have ticked 'not covered' to statements F, K, and O of the Internal Audit Report for the following reasons:

- The Parish Council does not hold petty cash.
- The Parish Council did not declare itself exempt from a limited assurance review in 23-24.
- The Parish Council is not a trustee.

I have ticked 'no' to statement A of the Internal Audit Report as although some of the sample of transactions that I checked matched the bank statements there were a number that could not be checked (March transactions) due to the Parish Council having been unable to access the statements. This was due to the closure of the bank account with no statements printed off prior to the closure. This also meant that I could not verify the accuracy of the year end bank reconciliation as no year end statement for one of the accounts could be produced. The background to this situation has been explained to me and I understand the locum clerk and recently employed replacement clerk are doing everything they can to get these documents asap but unfortunately due to timing of the Parish Council meetings and the deadline for return of documentation to the External Auditor the Parish Council required their internal audit to be completed now, despite the incomplete documents, in order to meet the External Auditor's deadline.

I have ticked 'no' to statement M of the Internal Audit Report as although the Parish Council published the correct Notice of Public Rights for the 23-24 financial year, it was noted by the External Auditor that the period given covered 31 days rather than the 30 days legally required. In my view giving members of the public more time to view the accounts than is legally required should not work against you but given that the External Auditor raised it as a concern I would suggest that in future you either aim to have your documents ready at a suitable time to use the dates suggested by the External Auditor so you can be certain they cover the correct period, or seek advice from your CALC in the calculation of the dates if you are still unsure about how they should be calculated.

I have ticked 'no' to statement N of the Internal Audit Report as the Notice of Conclusion of Audit was not published on the website – the document published under that heading on the Parish Council website is actually S3 of the AGAR which is the External Auditor's Report, not the Conclusion of Audit.

I was able to answer 'yes' to all other relevant questions and have signed the Return as required.

Yours sincerely,



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The figures submitted in the Annual Governance and Accountability Return are:

	<b>Year ending 31 March 2024</b>	<b>Year ending 31 March 2025</b>
1. Balances brought forward	68510	64780
2. Annual precept	37299	39722
3. Total other receipts	5626	7951
4. Staff costs	22393	11090
5. Loan interest/capital repayments	0	0
6. Total other payments	24261	42536
7. Balances carried forward	64780	58827
8. Total cash and investments	64780	58827
9. Total fixed assets and long-term assets	37086	37086
10. Total borrowings	0	0

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2024)*. It is a guide to the accounting practices to be followed by local councils and it sets out the appropriate standard of financial reporting to be followed.