

Annual Internal Audit Report 2024/25

PRESTON 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.

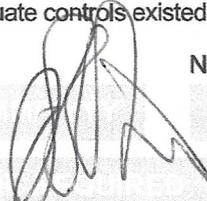
Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
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.			✓ NONE
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. (If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")			✓
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 (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).	✓		
N. The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR Page 1 Guidance Notes).	✓		

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: 29/05/2025

Name of person who carried out the internal audit: LIONEL ROBBINS

Signature of person who carried out the internal audit: 

Date: 29/05/2025

*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:

PRESTON 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' means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Yes	No	N/A
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
			has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

***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:

04-06-2025

and recorded as minute reference:

17609-11

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

Chair

Clerk

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Section 2 – Accounting Statements 2024/25 for

PRESTON PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2024 £	31 March 2025 £	
1. Balances brought forward	48358	47219	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	21338	25310	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	10244	11517	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	5344	6681	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	—	—	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	27377	18399	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	47219	59026	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	47219	59026	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	69636	69636	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	N/A	NA	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)			X	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



Date

3-06-2025

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

04-06-2025

as recorded in minute reference:

17609-12

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



PRESTON PARISH COUNCIL

INTERNAL AUDIT REPORT 2024-25

I am pleased to report to Members of the Parish Council that I have completed my internal audit of the Parish Council's records for 2024-25 and have been able to complete the Annual Internal Audit Report (AIAR) for the 2024-25 Annual Governance and Accountability Return.

Members should be aware that the audit tests that I undertook during the audit cannot be relied on to identify the occasional omission or insignificant error, nor to disclose breaches of trust or statute, neglect or fraud which may have taken place and which it is the responsibility of the Members of the Council to guard against through the Parish Council's internal control procedures.

As a result of my audit and my discussions with your Clerk I was able to answer 'YES' to all the relevant questions contained in the AIAR.

I would like to take this opportunity to thank your Clerk for the assistance given to me in the conduct of the audit that took place on 29 May 2025.

PREVIOUS AUDITS:

External Audit 2023-24:

Mazars' report was issued on 8 September 2024 without qualification or comment. Their covering letter included a "minor scope for improvement" item for blank box 11 (Trust Funds) on the Accounting Statement. The Council considered Mazars report at its meeting on 2 October 2024.

Internal Audit 2022-23:

Nothing to follow up from my last report.

FINDINGS THIS VISIT:

During the audit I carried out sufficient work to enable me to complete the Annual Internal Audit Report. I concentrated on the trail from the annual accounting statement back to the receipts & payments A/c and bank statements while testing transactions to invoices or other supporting documentation. I have also reviewed the Council's minutes for compliance with legal obligations, its general functioning and for mutual consistency with the accounts.

I found all the financial records to be accurate and up to date. The accounts statement in the Annual Governance & Accounts Return (AGAR) is consistent with the financial records. The accounts are also consistent with the minutes.

I have noted the change of banks completed during the year and had included the transfer from the now closed accounts to the new Unity Bank account in my testing.

There were two old cheques showing as unpresented on the bank reconciliation for 31 March 2025. I have discussed with the Clerk that these should be written back as neither can be presented - being drawn on the now closed accounts.

I have nothing further to report.

Lionel Robbins
Independent Internal Auditor
8 June 2025

Instructions:

Please complete the coloured boxes with figures per the AGAR and figures for earmarked reserves. The 'Explanation Required?' box will indicate whether an explanation is required to explain reserves exceed tolerable threshold set by Forvis Mazars (1.15 x the higher of precept and total payments). If explanations are required, please document these in the rows below (*insert more rows where required*). Once a sufficient amount of explanations has been provided, this will be shown with a 'Yes' in the 'Explanation sufficient?' line.

Box 2	Precept	<input type="text" value="25,370"/> x 1.15 =	29,176
Box 4	Staff costs	<input type="text" value="6,681"/>	
Box 5	Loan interest / capital repayments	<input type="text"/>	
Box 6	Other payments	<input type="text" value="18,399"/>	
		25,080 x 1.15 =	21,159
	Max level of reserves		<input type="text" value="29,176"/>
Box 7	Balances carried forward		<input type="text" value="59,026"/>
	Explanation required?		<input type="text" value="Yes"/>
	<u>Explanation(s) for earmarked reserves:</u>	NB: NOT 'general' funds/reserves	
	play equipment fund		<input type="text" value="10,000"/>
	new village hall fund		<input type="text" value="30,000"/>
			<input type="text"/>
			<input type="text" value="40,000"/>
	Reserves not earmarked		19,026
	Explanations sufficient?		<input type="text" value="Yes"/>

Statement of Variances - Year ended 31 March 2025

Instructions for completing this template:

1. Enter figures per the AGAR in the cells highlighted in light blue. This will automatically calculate a percentage change between years.
 2. If the variance is within 15%, no explanation is required. However, if it is outside this threshold, the percentage difference will highlight in yellow and an explanation is required.
 3. Explanations should be entered in each section, quantified to show the figures for each year. This will automatically calculate the remaining difference and the percentage unexplained.
 4. Once a sufficient explanation has been given to bring the percentage within 15% between years, the percentage difference cell will highlight as 'green' in the 'adjusted' line.
- Please note that for fixed assets, regardless of the percentage change in the figure, an explanation is required for the movement.

Item	2023-24	2024-25	Difference	%	Additional comments / explanations
Box 2: Precept or Rates and levies	21,338.00	26,370.00	4,032.00	18.9%	Increase in accordance with actual amount spent 23-24
			-		expected increase for management of Robinsons Meadow
			-		professional fees for Village hall
			-		
			-		
Box 2: Precept or Rates and levies (adjusted)			4,032.00	18.9%	Further explanation needed
Box 3: Total other receipts	10,244.00	11,517.00	1,273.00	12.4%	
			-		
			-		
			-		
			-		
Box 3: Total other receipts (adjusted)			1,273.00	12.4%	No further explanation needed
Box 4: Staff costs	5,344.00	6,681.00	1,337.00	25.0%	clerks salary review pay scale 19 £16.10 per hour
			-		
			-		
			-		
Box 4: Staff costs (adjusted)			1,337.00	25.0%	Further explanation needed
Box 5: Loan interest/capital repayments			-	#DIV/0!	
			-		
			-		
			-		
			-		
Box 5: Loan interest/capital repayments (adjusted)			-	0.0%	No further explanation needed
Box 6: Other payments	27,377.00	18,399.00	- 8,978.00	-32.8%	no significant equipment purchases -£4146.00
			-		no professional fees -£4880.00
			-		
			-		
Box 6: Other payments (adjusted)			- 8,978.00	-32.8%	Further explanation needed
Box 9: Fixed assets plus long-term investments	69,636.00	69,636.00	-	0.0%	
			-		
			-		
			-		
Box 9: Fixed assets plus long-term investments (adjusted)			-	0.0%	No further explanation needed
Box 10: Total borrowings			-	#DIV/0!	
			-		
			-		
			-		
Box 10: Total borrowings (adjusted)			-	0.0%	No further explanation needed

Attachment 2

Confirmation of contact details

Local Council Name: Preston Parish Council

Please confirm the contact details for the Clerk, RFO (if applicable), and Chair to assist us in ensuring that our records are kept up to date.

Clerk name: <u>Jean Swan</u>	RFO name (if different to clerk)	Chair name: <u>Thomas Gale</u>
Clerk working hours (so we know when we can ring) <u>9am - 2pm Mon - Friday</u>	Clerk working hours (so we know when we can ring)	
Is this person the primary contact: Yes/ No	Is this person the primary contact: Yes/No	
Parish Council registered address: <u>Plum Tree Cottage 112 The Street Adisham CT3 3JR</u>	Parish Council registered address:	Chair contact postal and email address Email: <u>t.gale@preston-pc.gov.uk</u> Postal address: <u>Street Farmhouse The Street Preston CT3 1HA</u>
Telephone: Primary contact number: <u>01584 60199</u> Mobile/alternative number:	Telephone: Primary contact number: Mobile/alternative number:	Telephone: Primary contact number: <u>01736 300358</u> Mobile/alternative number:
Email address (please do not provide a personal email unless the Clerk/RFO does not have a Council/Meeting email) <u>clerk@preston-pc.gov.uk</u>		