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Dear Kirsty

5th June 2025

Stinsford Parish Council Internal Audit

Please find attached the internal audit report for April 2024 - March 2025.

All the information I required to carry out the Audit was included in the paper file and via the website. The audit file was inclusive and well presented.

There just 3 recommendations in total, however they are minor and administrative and do not detract from the accuracy of the financial position.

Audit Opinion

I am able to offer **substantial** assurance as the areas reviewed were found to be adequately controlled. Internal controls are in place and operating effectively and risks against the achievement of objectives are well managed.

The Audit grades are Substantial, Reasonable, Partial and None.

The Audit Checklist Report, Recommendations and this letter should be copied to all Parish Council members so that they can fully understand the recommendations being made. As always I am happy for any of the Parish Council to contact me personally if they wish to discuss any of the recommendations made, the tests carried out, or the overall opinion given.

Regards



Paula Harding

Appointed Internal Auditor for Stinsford Parish Council

Stinsford Parish Council Audit – 2024-25

Summary of Audit Checklist Recommendations:

Recommendation 1:

That the VAT reclaim is followed up if not received more than 30 days after the claim

This recommendation is just to make to sure that the refund is chased if not received soon.

Recommendation 2:

That the Insurance cover is reconsidered in light of the agreed Asset Register.

These two documents need to be compared and adjustments made so the insured amounts and asset amounts are level across both.

Recommendation 3:

That the Clerk creates a place on the website for a CIL report. This report should so the planning application number and amount that funds have come from along with the date received and the deadline for the funds to be spent.

When funds are spent from each application levy the spending should be noted and the amount remaining from each Levy showing.

This is the first time that the Council has received CIL funds, so this recommendation is to try and ensure that going forward the reporting is correct for audit purposes.



Paula Harding
Internal Auditor

INTERNAL AUDIT SERVICE FOR STINSFORD PARISH COUNCIL

Audit Programme – Financial Year 2024-25

I certify that I have carried out the tests detailed below in accordance with the suggested approach contained in the JPAG/SAAA Practitioners Guide, published April 2024. To carry out the audit below I have also reviewed the minutes of the Parish Council and its committees to gauge the effectiveness of the authority's overall controls and decision-making processes.

AGAR Certificate Reference	Tests	Test complete	Comments
A: Appropriate accounting records have been kept throughout the year I: Periodic bank reconciliations were properly carried out during the year.	Ensure that the carried forward balance from the prior year cash book balances to the new financial year	Yes	The opening balance of £13508.92 is correct on the bank statement and the rounded balance of £13509 is showing on the AGAR
	Check a sample of the financial transactions in the cashbooks, to the bank statements and that S137 limits are adhered to.	Yes	No section 137 payments were made in the year. A sample of transactions were tested and traced from the minutes through to the cashbook
	Ensure that the bank reconciliations are prepared regularly and subject to independent scrutiny and sign-off by Council members	Yes	Bank Recs are presented quarterly to the Council and approved. See Jan minutes (item 7.4)
	Verify the accuracy of the year-end bank reconciliation and ensure the correct amount is listed on the AGAR report	Yes	The end of year bank reconciliation is correct to the bank statement and the un-presented cheque is cashed on the 15 th April. The correct balance of £14934 is showing on the AGAR
	If the authority has bank balances more than £100,000 that it has an appropriate investment strategy	N/A	The bank balance is less than £100,000
B: The authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for	Review the procedures in place for acquisition of formal tenders and quotes ensuring they are in line with the Standing Orders and Financial Regulations.	Yes	The Standing Orders and Financial Regulations were approved in July (Min ref: 67.2). No tenders were issued in this financial year.
	Ensure that consistent values are in place for the acquisition of formal tenders between the Standing Orders and Financial Regulations	Yes	Both documents have been reviewed and updated within the year and are consistent
	Review the procedure for receipt of invoices, agreement of invoice detail and confirmation of goods/services delivery and approval for payment.	Yes	The procedure is clear within the financial regulations and both Clerk and Councillors responsibilities.

AGAR Certificate Reference	Tests	Test complete	Comments
	Check that there is effective segregation between the writing of cheques or setting up of online payments and the physical release of the payments.	Yes	The Financial Regs clearly show that the Clerk is to write out the cheques with Councillor authorisation in line with the bank mandate.
	Ensure that all cheques dated within the year are listed in the cashbook, whether cashed or not at the year end.	Yes	All cheques are listed include that which remains uncashed at the year end. The Cheque book confirms that only cheques 100385 – 100401 were written in the year
	Check all the invoices which have a VATABLE supply to ensure that VAT has been identified and noted correctly in the Cashbook	Yes	The only invoices with VAT on are those for Hugo Fox website and all are included on the cashbook
	Check that the VAT reclaims are prepared and submitted in a timely manner in line with underlying records and in accordance with HMRC requirements	Yes	The last VAT claim received was in 2023 and relates to 21-22. The VAT reclaim for 22-23 and 23-24 is in the audit file as submitted but with no date and not yet showing as received. <u>Recommendation 1:</u> That the VAT reclaim is followed up if not received more than 30 days after the claim
	Where debit/credit cards are in use, ensure the appropriate controls over physical security and usage of the cards are in place.	Yes	Debit cards are not used and payments are made by cheques or direct debit.
C: The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these	Ensure that authorities have prepared and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc	Yes	The Risk assessment was reviewed and agreed at the May meeting (Min ref: 44.3)
	Ensure that appropriate levels of insurance cover are in place for land, building, public, employers, and hirers (where applicable) liability, fidelity, employees, business interruption and cyber security	Yes	The insurance schedule states that the playground equipment cover is up to £13,500 and the general other contents are up to £23,000. However, the Asset register states that the insurance cover is £48,000 for play equipment and £24,000 for street furniture. <u>Recommendation 2:</u> That the Insurance cover is reconsidered in light of the agreed Asset Register.

AGAR Certificate Reference	Tests	Test complete	Comments
	Ensure that appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches: such reviews should be undertaken by appropriately qualified external inspectors or, if by officer or members that they have received the appropriate training and accreditation.	Yes	<p>The playground inspection was carried out and reported to the November Parish Council meeting – Min ref: 107.1</p> <p>The Play inspection company have not been paid as this is part of an arrangement with a green spaces scheme.</p> <p>Reserves have been set to cover the cost of play inspections which will begin next year when the arrangement ends.</p>
	Ensure that the internal and external audit reports are noted in the minutes including any recommendations and the associated remedial action to be taken.	Yes	<p>The Internal Audit report was reported and minuted at the June Meeting (Min 57.2(i)).</p> <p>The recommendations were accepted and the Clerk and Council have worked towards these throughout the year</p>
D: The Precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored and reserves are appropriate	Ensure that the full authority, not a committee, has considered, approved and adopted that annual precept in accordance with the required parent authority timetable.	Yes	The Full Council considered the budget report presented to them in November at the January meeting and set a precept of £5,500 for the 2025-26 year.
	Ensure that budget reports are prepared and submitted to Authority/Committees periodically during the year with appropriate commentary on any significant variances (+/- 10%)	Yes	A budget report was produced for the November meeting. There are so few transactions during the year that a half year budget review is sufficient.
	Ensure that the Authority has considered the establishment of specific earmarked reserves and ideally reviews them annually as part of the budget assessment process.	Yes	There are earmarked reserves showing on the cashbook totalling £12291.17

AGAR Certificate Reference	Tests	Test complete	Comments
	Ensure that any Community Infrastructure Levy monies that have been received have been ringfenced and allocated appropriately. As all CIL monies received need to be used within a 5-year time frame a schedule of projects to which each set of CIL received have been allocated, with timescales should be in place	Yes	<p>CIL was received in the year of £945.55. This matches the amount on the Dorset Council CIL report for Stinsford.</p> <p>The amount also cross-references with the reserve figure for CIL</p> <p>Recommendation 3: That the Clerk creates a place on the website for a CIL report. This report should so the planning application number and amount that funds have come from along with the date received and the deadline for the funds to be spent. When funds are spent from each application levy the spending should be noted and the amount remaining from each Levy showing.</p>
	Ensure that the precept in the accounts matches the submission form to the relevant authority and the public record of the precepted amount in the minutes.	Yes	The Precept of £5,500 was received in two payments in April and September as expected.
E: Expected income was fully received based on correct prices, properly recorded and promptly banked (e.g.: within 7 days). VAT was appropriately accounted for	Review Aged Debtor listings to ensure appropriate follow up action is in place	N/A	The Council operates receipts and payments accounts and debtors are not listed.
	Allotments (if applicable) ensure that appropriate signed tenancy agreements exist, that a register if tenants is maintained showing that debtors are monitored.	N/A	The Council does not operate allotments
	Burials (if applicable) ensure that a formal burial register is maintained and that this is up to date and that a sample of internments are memorials are appropriately evidences, that fees have been charged at the correct approved rate and recovered within a reasonable time.	N/A	The Councils does not undertake burials
	Hall Hire (if applicable) ensure that an effective diary system for bookings in place identifying the hirer, hire times, and ideally cross-reference to invoices raised.	N/A	The Council does not have a Hall for Hire

AGAR Certificate Reference	Tests	Test complete	Comments
	Leases: Ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents reviewed appropriately at the due time	N/A	The Council does not hold or issue any leases
	Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of income	Yes	All income was as expected only the CIL and precept has been received this year. See the recommendation 1 above re the VAT reclaim
	Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained identifying the date(s) on which income is due and that it is showing as actually received on the bank statements or within the Petty Cash system.	Yes	The Precept was received as expected.
F: Petty Cash payments were properly supported by receipts; all Petty cash expenditure was approved and VAT appropriately accounted for	Review the systems in place for controlling any petty cash and cash floats	N/A	The Council does not hold Petty Cash
	Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held	N/A	The Council does not hold Petty Cash
	Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held.	N/A	The Council does not hold Petty Cash
	Ensure that VAT is identified whenever incurred and appropriate	N/A	The Council does not hold Petty Cash
	Physically check the petty cash and other cash floats held	N/A	The Council does not hold Petty Cash
	Where bar or catering facilities are in place ensure that appropriate cashing up procedures are in place reconciling the physical cash takings to the till Z total readings	N/A	The Council does not hold Petty Cash
G: Salaries to employees and allowances to members were in accordance with the authority's approvals and PAYE and NI requirements were properly applied	Ensure that for ALL staff a formal employment contract in in place together with a confirmatory letter setting out any changes to the contract.	Yes	The Clerks contract has been in place since 2014 with no amendments
	Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability	Yes	Member allowances are not paid at this time

AGAR Certificate Reference	Tests	Test complete	Comments
	Ensure that for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the NJC scale or hourly rate and matches with the contracted hours	Yes	The Clerk is paid at SCP 5 (£12.85 per hour. An increase has been agreed from April 2025.
	Ensure that the appropriate tax codes are being applied to each employee	Yes	The Clerk is listed as D0 M1 which is correct as per notification from HMRC
	Where free or paid for software is used, ensure that it is up to date	Yes	HMRC software is used
	For a test sample of employees ensure that the tax is calculated properly	Yes	The tax calculation is correct
	Check the correct treatment of Pension contributions	N/A	The Clerk is under the threshold for auto enrolment in a Pension scheme
	For NI ensure that the correct deduction and employer's contributions are applied	N/A	The Clerk is under the threshold for National insurance
	Ensure that the correct employers' pensions percentage contribution is being applied	N/A	The Clerk is under the threshold for auto enrolment in a Pension scheme
	Ensure that for the test sample, the correct net pay is paid to the employee with tax NI and pension contributions correctly paid to the respective agencies	Yes	HMRC software is used
H: Asset and Investment registers were complete, accurate and properly maintained	Tangible Fixed Assets		
	Ensure that the Authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of /no longer serviceable assets	Yes	The Asset register was reviewed and approved in May 2024 – See min ref 44.3. There is no change from the previous year
	Physically verifying the existence and condition of high value, high risk assets may be appropriate	Yes	It is not cost effective for the Internal Auditor to do this for the Council and physical verification should be part of their annual review of the asset register.
	Ideally the register should identify for each asset the purchase cost and if practicable, the replacement / insured cost, the latter being updated annually and used to asset in forward planning for asset replacement	Yes	Purchase costs and insured values are listed
	Additions and disposals records should allow tracking from the prior year to current	Yes	There is a column for disposals

	Ensure that the asset value to be reported in the AGAR equates to the prior year reported value, adjusted for new acquisitions and disposals.	Yes	There has been no change from the previous year as no assets have been purchased or disposed off
	Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured	Yes	See recommendation 2 above
	Fixed Asset investments		
	Ensure that all long-term investments (i.e.: those longer than 12 months terms) are covered by an investment strategy and reported as assets on the AGAR	N/A	The Council does not have any long-term investments
AGAR Certificate Reference	Tests	Test complete	Comments
	Borrowing and Lending		
	Ensure that the authority has sought and obtained appropriate DMO approval for all loans acquired	N/A	The Council does not have any loans
	Ensure that the authority has accounted for the loan appropriately (i.e.: arrangement fees are regarded as administration expenses in the year of receipt)	N/A	The Council does not have any loans
	Ensure that the combined principal loan repayment and interest for the year is correctly recorded in the AGAR	N/A	The Council does not have any loans
	Ensure that the outstanding loan liability as at 31 st March each year is correctly recorded in the AGAR and verified via the DMO website	N/A	The Council does not have any loans
	Where the authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient body or their members agreeing to underwrite the loan debt	N/A	The Council does not have any loans
J: Accounting statements prepared during the year	Ensure that, where the annual turnover exceeds £200,000 appropriate records are maintained throughout the year on an Income and Expenditure basis to facilitate budget reporting	Yes	The council turnover is under £200,000
	Ensure that appropriate accounting arrangements are in place to account for debtors and creditor during the year and at the financial year-end	N/A	The Council operates receipts and payment accounts.

K: If the authority has certified itself as exempt from a limited assurance review in the prior year , it met the exemption criteria and correctly declared itself exempt	The correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline	Yes	The Certificate of Exemption was agreed at the June meeting (Min ref 57.2 (ii).
	That it has been published together with all the required information on the Authority's website and noticeboard	Yes	It is available on the website as required.
L: The authority published information on a website/webpage for the previous audit year and complies with the relevant Transparency Code.	<p>FOR COUNCILS COVERED BY THE UNDER £25,000 EXTERNAL AUDIT EXEMPTION: A review of the Authority's website for the previous year shows that all the required documentation is published in accordance with the Transparency code:</p> <ul style="list-style-type: none"> • A list of all expenditure of £100 • End of year Accounts • Annual Governance Statement (by 30th Sept) • Detailed Internal Audit Report • List of Councillors and responsibilities • Details of public land and buildings • Minutes, Agendas and meeting papers of formal meetings and committees. 	Yes	All are available and published on the website.
	<p>FOR COUNCILS OVER THE £25,000 EXEMPTION LIMIT: A review of the Authority's website for the previous year shows that:</p> <ul style="list-style-type: none"> • A list of all expenditure of £500 • End of year Accounts • Annual Governance Statement (by 30th Sept) • Detailed Internal Audit Report • External Audit report and certificate • List of Councillors and responsibilities • Details of public land and buildings • Details of goods and services open to tender quotes. 	N/A	The Council is under the £25,000 threshold
<p>NOTE: <u>Although Councils over £25,000 do not have to comply with the Transparency Code it is good practice to ensure that this information is in the public domain. We test this to help inform your communication with your community.</u></p>			

M: The authority has, during the previous year correctly provided during the period for the exercise of public rights as required by the Accounts and Audit regulations	Check that the require 'Public Notice' has been created and clearly stated that there is a 30-working day period when the Authority's records are available for public inspection	Yes	The dates were the 14 th June – 25 th July which covers the 1 st week of July as required
	Check that the Council has minuted the relevant dates of this period at the same time as approving the AGAR	Yes	This was minuted at the June meeting (Min ref: 57.2iii)
N: The authority complied with the publication requirements for the prior year AGAR	Ensure that the statutory disclosure/publication requirements in relation to the prior year's AGAR have been met as detailed on the front page of the current years AGAR	Yes	The requirements have been met and documents are on the website
O: Trust funds (including charitable) – the Council has met its responsibilities as a trustee	Confirm that all charities of which the council is a Trustee are up to date with CC filing requirements	N/A	The Council is not a trustee
	That the Council is the sole trustee on the Charity Commission register	N/A	The Council is not a trustee
	That the Council is acting in accordance with the Trust deed	N/A	The Council is not a trustee
	That the Charity meetings and account are recorded separately from those of the council	N/A	The Council is not a trustee
	Review the level and activity of the charity and where a risk-based approach suggests such, review the independent Examiners report	N/A	The Council is not a trustee

Report compiled by:



Paula Harding (MAAT/AATQB)
Barker Fox Associates

Date: 5/6/25