SDH Accountancy & Audit Services

Principal Sue Hackett
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Date: 10 April 2025

Dear Julia,

RE: WROCKWARDINE PC INTERNAL AUDIT 24/25 REPORT

The audit has been carried out remotely using a risk assessment basis approach and examines the Council's compliance with its relevant procedures and best practice as documented in the Practitioners' Guide '24. I have now completed a review of all the internal control objectives which support the Annual Internal Audit Report within the 24/25 AGAR positively, however I note that reserves are high. This has been discussed with the Clerk/RFO and I have made a recommendation at D below.

The following supports my conclusions to date:

Internal Control Objective	Findings	Achieved
A. Appropriate accounting records have been properly kept throughout the financial year.	The primary accounts record examined 1-4-24 to 21-28-2-25; (i.e. Scribe) were found to be accurate and complete providing a full audit trail. The opening balance was agreed to the previous year's AGAR and closing bank balance. Detailed testing of a sample of transactions per the accounts confirmed its accuracy. (See B & E & I below.)	Yes
B. Council complied with its financial regulations, payments were supported by invoices/vouchers, all expenditure was approved and VAT was appropriately accounted for.	A sample of 10 payments were agreed between the Council's Minutes and Scribe accounts and supporting invoices/documentation. Whilst a further 2 payments per Scribe were satisfactorily traced to supporting invoices and minutes. VAT was found to be appropriately accounted for within the accounts and Financial Regulations complied with.	Yes
C. Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	A framework of policies and procedures have been adopted by the Council and are readily available on the Council's website; these mitigate against significant risks to achieving its objectives.	Yes

	The Council's risk management policy was last reviewed and adopted by Council in May 2024. Standing Orders and Financial Regulations were also adopted by Council in May 2024. In March 2025 new model 2024 Financial Regulations were adopted which reflect the requirements of The Practitioners' Guide and new legislation. Council assets are insured and regularly inspected by councillors and maintained. An independent ROSPA play inspection has been carried out to ensure play equipment is safe and fit for purpose; whilst wooden play equipment has been further tested. Actions arising from these inspection are detailed within council minutes.	
D. The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored by the Council; and reserves were appropriate.	The Clerk/RFO provides a detailed financial report at meetings held; and reports banking balances; these are usually appendices to the minutes. Scribe enables a detailed budget monitoring report to be easily presented as requested by members. The Clerk/RFO tables a 6 monthly budget monitoring report. Budget Setting 2025-26 – F&GP committee with the aid of a Budget Monitoring & Forecast report prepared by the Clerk/RFO agreed a Draft Budget for 25/26 which was presented at the Full Council's December meeting. The Budget was formally adopted (Total Spend £115,484); interest and grant income are not taken into account. Council resolved that a Precept of £112,000 be requested; the deficit to be met by General Reserves as underspends were expected in 23/24. Reserves as at 31/03/2025 – ***The bank balance of £244,725 remains high. It comprises of earmarked reserves of £94,555 which is comparable with the previous year as ongoing ear marked projects remain in progress.*** ***The Council's General Reserves of £150,170 are high they equate to the expected precept i.e. £112,000 (25/26) plus over 12 months of budgeted staff costs. This exceeds that recommended in the Council's Reserves policy.*** ***Funds held in the Unity accounts during the year and at year end have exceeded the Financial Services Compensation Scheme limit. Given the precept is soon to be received Council should consider opening an alternative bank account in order to protect funds.***	Yes **Reserves were considered high.**
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked.	The following receipts were agreed to supporting documentation: Precept receipts totaling £106,000, a VAT refund of £8,462. T&W grant of £1,450, Police & Crime Commission grant £3,400 and Nationwide Building Society interest.	Yes
F. Petty Cash has been properly accounted for	Clerk/RFO confirmed that none was held therefore not examined.	Yes

G. Payroll – Salaries to employees and allowances to members were paid in accordance with the authority's approvals and PAYE & NI requirements properly applied.	All pay calculations are processed using HMRC software and are supported by the Clerk's contract, (last updated in Sept'21) and Council decisions. Monthly salary payments per Scribe were checked for reasonableness. Detailed salary costs are itemised for councillors every month and are evidenced as approved. Scribe reports support the AGAR Box 4 total. Period 8 and 9 salary calculations have also been checked and found to be accurate and in agreement with Council decisions and National Pay Scales. Period 8 included an authorised back dated NJC pay award. Tax, NI and pension deductions having been appropriately deducted. Pension arears due to a change in employer contribution rates was correctly calculated and paid in May 2024. The Clerk keeps weekly & monthly timesheets and these together with annual leave card is presented via the Human Resources Committee to Full Council. There is an annual appraisal process. The Chairman received an approved allowance, which he has formally confirmed he is personally declaring to HMRC.	Yes
H. Asset and investment registers were accurate and properly maintained.	The Scribe Asset Register reflects no in year acquisitions and disposals as at 31/3/25. Its total value for AGAR purposes is £199,442. No investment register is required.	Yes
I Periodic Bank Reconciliations were properly carried out during the year	The Clerk regularly presents financial reports and bank reconciliations to Council at meetings. These bank reconciliations have been minuted as approved at the meetings; two were agreed to bank statements by the auditor. Bank reconciliation as at 1/12/2024 and 31/1/2025.	Yes.
J Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	Scribe accounting statements prepared during the year were prepared on the correct accounting basis; receipts and payments. The 24/25 Scribe yearend accounting statement has been examined and found to have been prepared accurately on a receipts and payments basis, and is supported by the yearend bank reconciliation. This has been used to complete Section 2 of the AGAR. Sample testing supported the accuracy of the Scribe accounts.	Yes
K The Council appropriately certified itself as exempt from a limited assurance review by external audit in 2023/24.	Not applicable as both total receipts and total payments exceeded £25,000.	Not covered.
L. Council publishes information on a website up to date at the time of the internal audit, in accordance with legal requirements.	The Council's website was found to be informative and up to date when examined in respect of Minutes, Policies and Financials. (Examined 26/2/25.)	Yes

M In 2024 Council correctly provided the proper opportunity for the exercise of public rights in accordance with Accounts and Audit Regulations.	The appropriate Notice for the Exercise of Public Rights was issued 2/6/24 following the Council's meeting. (Dates of inspection 3/6 -12/7/24.) The 23/24 AGAR was confirmed as having been published on the website following its approval at the Council's May'24 meeting enabling the proper opportunity for the exercise of public rights. (Website examined 29/2/25).	Yes
N. The Council has complied with the publication requirements for the 2023/24 AGAR	Following receipt of the External Audit Report in September the complete AGAR version was uploaded to the website on 23/9/24 together with a Conclusion of Audit notice. (Website examined 29/2/25).	Yes
O. Trust funds – the Council has met its responsibilities as a trustee.	The Clerk/RFO confirmed that the Council is not the sole trustee of such a fund.	N/A

The Council is due a limited assurance audit by external audit in 24/25 as total receipts and payments have once again exceeded £25,000.

The Variance Analysis report was also examined and found to be accurate, providing via an appendix a detailed explanation of other receipts.

Please share this with the Council, prior to them completing Section 1 of the AGAR. Should you or members have any queries, please don't hesitate to contact me.

Best Wishes

Sue Hackett

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