



**UP HATHERLEY PARISH COUNCIL**  
**Internal auditor's report for the year ended 31 March 2025**  
**Name of Auditor: J.Shirley**

**GAPTC internal audits comply with the proper practices outlined in the Governance & Accountability for Smaller Authorities – A Practitioners' Guide and the Accounts and Audit Regulations 2015.**

**The GAPTC internal audit reviews and reports on whether the systems of financial and other internal controls over its activities and operating procedures are effective. The audit tests a variety of documents, including agendas and minutes, policies, insurance and risk management processes, to ensure Council meets the requirements set out in the Annual Internal Audit Report in the Annual Governance & Accountability Return. The internal audit does not involve the detailed inspection of all records and transactions of an authority in order to detect error or fraud.**

**Our auditors are independent of the Council and are competent to be able to carry out the requirements of the internal audit service.**

**NOTE The auditor will complete the Annual Internal Audit Report (AIAR) page on the Annual Governance & Accountability Return (AGAR). The AIAR informs the Annual Governance Statement (AGS) assertions on the AGAR, so when council reviews the AGS, the responses must reflect the AIAR report.**

## **1. Governance and Policies**

<b>Ref</b>	<b>Test</b>	<b>Yes, No or N/A</b>	<b>Evidence</b>	<b>Internal Auditor's comments/recommendations</b>	<b>Has Council complied with relevant AGS assertion? Yes/No</b>
1	Have Financial Regulations been a) tailored to	Yes to all	a) & b) Financial Regulations on website c) 2nd July 2024 Full		Assertion 1

	council? b) reviewed using the most recent version? c) minuted? (Objective B)		Council minutes item 4		
2	Have Standing Orders been a) tailored to council? b) reviewed using the most recent version? c) minuted?	Yes to all	a) & b) Standing Orders on website c) 7 <sup>th</sup> May 2024 Full Council minutes item 3		Assertion 1
3	Code of conduct reviewed in the last 2/3 years?	Yes	7 <sup>th</sup> March 2023 Full Council minutes item 11		Assertion 3

## 2. Finance and Accounting

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
4	Bank reconciliations are considered by Council? (Objective I)	Yes	Bank reconciliations 30/06/24 & 31/12/24 7 <sup>th</sup> January 2025 Full Council minutes item 4v 2 <sup>nd</sup> July 2024 Full Council minutes item 4iii		Assertion 2
5	VAT claims have been submitted and are up to date	Yes	VAT claim to 31/12/24		Assertion 1

	(objective E)				
6	S137 a) is there a separate account for payments? b) are totals within statutory limits? (objective A)	N/A	General Power of Competence adopted		Assertions 1&3
7	Is there an annual council authorisation of Direct Debit list and Standing Orders? (Objective B)	Yes	7 <sup>th</sup> January 2025 Full Council minutes item 4iii		Assertion 2
8	Cashbook provided and random sample checked. Give details at Annex A.	Yes but		<b>Recommend</b> Council provides the clerk with a debit/credit card for council purchases rather than the clerk using their own funds. There is at least one purchase where the item cost exceeded the clerk's net salary, this is not an acceptable situation.	Assertion 2
9	Internal controls a) policy in place? b) evidence checks took place as per Council's Fin Regs/Standing Orders (Objective B)	a) Yes b) No	Statement of Internal Controls on website	<b>Recommend</b> that the councillor nominated to check the monthly accounts reports back to Council and this is minuted to confirm that the checks are taking place.	Assertion 2
10	Was budget for 24-25 a) prepared? b) adopted by Full	a) Yes b) Yes c) Yes d) Yes	a) Budget 2024-25 b) Full Council minutes 02/01/24 item 4 c) Budget 2024/25		Assertion1

	Council? c) Were the earmarked reserves identified? d) Were the general reserves reasonable? f) Was precept calculated and approved? (Objective D)	e) Yes	d) Budget 2024/25 e) Yes		
11	Were end of year accounting statements a) prepared? b) match cashbook? c) supported by report?	a) Yes b) Yes c) Yes	7 <sup>th</sup> May 2024 Full Council minutes and appendices		Assertion 6
12	Did the council periodically compare budget vs spend (as detailed in the FRs)? (Objective D)	Yes	Full Council minutes: 2 <sup>nd</sup> July 2024 item 4.3.iii 5 <sup>th</sup> Nov 2024 item 4.3.ii 7 <sup>th</sup> January 2025 item 4.3.v		Assertion 1
13	Was Petty Cash expenditure a) Approved? b) supported by receipts?	N/A	No petty cash		Assertion1

	c) VAT accounted for? (Objective F)				
14	Was Insurance policy reviewed to ensure still fit for purpose? (Objective C)	Yes	Insurance Schedule	Council in a 3-year long term agreement <b>Recommend</b> Council undertakes and minutes a review of the insurance when the 3-year agreement expires.	Assertion 5
	<i>Note Councils have not been asked to submit any information on burials. Auditor to check sample if appropriate.</i>	N/A	No burial ground		

### 3. Payroll and Employment

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
15	Do all staff have a NALC contract of employment? Copy seen by auditor? <i>Note to auditor checklist asks for 'clerical'. Use judgement if this is</i>	Yes	Clerk Contract of Employment		Assertion 3

	<i>not appropriate</i>				
16	Has Council's PAYE / NIC been properly dealt with (including year-end procedures)? P32 seen (if relevant)? (Objective G)	Yes	P32 for December 2024	Payroll is outsourced	Assertion 3
16a	<i>Note to auditor. Councils not required to provide evidence but check that Council has met pension obligations</i>	Yes	Confirmation of re-declaration of compliance dated 28/11/22, valid for 3 years.		Assertion 2

#### 4. Transparency and Public Rights

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
17	Are all sections of the 23/24 AGAR published on the website? (Objective L/N)	Yes	AGAR on website under Public Notices		Assertion 3
18	Did council correctly	Yes	Exercise of public rights	<b>Recommend</b> that the dates for the exercise	Assertion 4

	provide for the exercise of public rights? (Objective M)		notice on website	of public rights is minuted.	
19	23/24 internal (and if relevant external) audit report/s reviewed by council and action taken where recommended? If relevant is exemption from external audit form on web site and correctly minuted?	Yes	Internal audit: 2 <sup>nd</sup> July 2024 Full Council minutes item 4.3.i  External audit: 7 <sup>th</sup> January 2025 Full Council minutes item 4.3.iv		Assertion 7

#### 5. Additional information – if relevant

Ref	Test	Yes, No or N/A	Evidence	Internal Auditor's comments/recommendations	Has Council complied with relevant AGS assertion? Yes/No
20	Has the General Power of Competence been adopted?	Yes	3 <sup>rd</sup> January 2023 Full Council minutes item 3.5		Assertion 3
21	Have assets a) been inspected for risk? b) any actions	a) Yes but b) Yes	Play Park annual inspection March 2025  Emails regarding tree works	<b>Recommend</b> Council carries out a documented annual check of all assets to ensure in good condition and fit for purpose.	Assertion 5

	undertaken and recorded? (Objective C)		viewed.		
22	Is asset register a) reviewed regularly? (Objective H) b) published on website? (Objective L)	a) No b) No		<b>Recommend</b> that Council publishes asset register on the website.  <b>Recommend</b> that Council reviews the asset register annually prior to the insurance renewal.	Assertion 5
23	Risk Management policy a) adopted? b) reviewed annually by Council? (Objective C)	a) Yes but b) Yes	7 <sup>th</sup> May 2024 Full Council minutes item 7.3	<b>Recommend</b> that Council adopts a more detailed Risk Management Policy that includes the schedule of inspections of assets. Also recommend a weekly checklist maintained of actions taken to mitigate risk of legionella, eg flushing through taps on weekly basis.	Assertion 5
24	Have items/ services been competitively purchased in accordance with Financial and/or Procurement Regulations?	Yes	EV Quotes received by Council in March 2023 – no minute confirming which contractor selected.	<b>Recommend</b> that financial decisions are more clearly minuted particularly where council has resolved to accept a quote for works.	Assertion 2
25	Is the Council a Managing Trustee? a)charity name b)charity number c) Copy of 23/24 AGM minutes seen (Objective O)	N/A	Not a Managing Trustee		Assertion 9



## Sample Checks

### Expenditure

Ref no	Amount	Payee	Date of minute where expenditure originally approved	Date of approval of payment in Minutes	Payment date	Two signatures on cheque stub/two cllr authorisers for internet banking? Invoices initialled by signatories?	VAT	Power to spend? Yes or No	S.137?	Comments/Do they match Financial Regulations?
2	£58.50	B&Q	Clerk's authority	7/5/24	04/04/24	Bank payments made by clerk on delegated authority of council. <b>Recommend</b> implementing a robust method to guard against fraudulent or accidental payments. For example, payment limits are put in place on the bank account.	Yes	Yes	N/A	OK
10	£153.01	K Oakey		S/Order	15/04/24		No	Yes	N/A	<b>Recommend</b> that hall manager payment included with clerk's role and goes through payroll
18	£50.15	Waterplus	Contractual	7/5/24	23/04/24		No	Yes	N/A	OK
30	£462.29	K Oakey	Contractual	S/Order	14/05/24		No	Yes	N/A	Payslip £462.31 – underpaid by 2p
46	£180.00	PC Menders	Clerk's authority	2/7/24	03/06/24		No	Yes	N/A	OK
50	£234.00	Argos		2/7/24	11/06/24		Yes	Yes	N/A	OK
63	£180.00	Primary Care	Clerk's authority	3/9/24	05/07/24		Yes	Yes	N/A	OK
72	£327.00	HMRC	Contractual		19/07/24		No	Yes	N/A	OK
83	£32.25	Fidelity	Contractual		09/08/24		No	Yes	N/A	OK. Note that Dec payment £694.38 is recorded as £694.39 in cashbook

95	£1k	Foodbank	2/7/24 item 4.3	5/11/24	06/09/24		No	Yes	N/A	OK
132	£9.99	Ebay	Clerk's authority	5/11/24	25/10/24		No	Yes	N/A	OK
143	£202.20	Stallards	5/11/24 item 9	7/1/25	13/11/24		Yes	Yes	N/A	OK
155	£83.97	N Holden	Clerk's authority	7/1/25	27/11/24		No	Yes	N/A	OK
174	£152.28	British Gas	Contractual	4/3/25	05/01/25		Yes	Yes	N/A	OK
190	£216.68	Mrs Reay	Contractual	4/3/25	31/01/25		No	Yes	N/A	OK

## Income

Name on invoice/name of payee	Amount	Promptly banked?  Bank Statement (month)	Receipt minuted?  Yes or No	Comments
Inv 24144	£88.00	Direct Credit to bank 30/11/24	No	Receipts noted as part of quarterly finance report
Inv 24122	£192.50	Direct Credit to bank as part of £346.50 18/12/24	No	Receipts noted as part of quarterly finance report
Inv 2478	£99	Direct Credit to bank 01/08/24	No	Receipts noted as part of quarterly finance report
Inv 2401	£99	Direct Credit to bank 30/04/24	No	Receipts noted as part of quarterly finance report
EV income	£6.32	Direct Credit to bank 06/04/24	No	Receipts noted as part of quarterly finance report