

Katharine Harrod
Clerk to the Council
Malborough Parish Council

2nd June 2025

Dear Katharine,

Malborough Parish Council End of Year Audit May 2025

Parish & Town Auditing Services have been appointed to undertake the internal audit for Malborough Parish Council. The End of Year audit was completed on 2nd June 2025.

I can confirm that I am independent of the Parish Council.

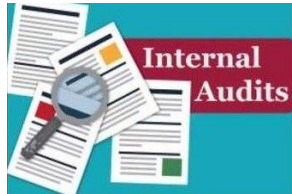
As stated in the Letter of Engagement letter, the scope of our work is limited to completing the audit testing and enquiries we deem necessary to complete Section 4 of the Annual Report for Local Councils in England. We do not provide assurance over or accept responsibility for areas of work not included in this scope, unless specifically agreed with the Council during the financial year. In providing internal audit services we are not conducting a financial statement audit in accordance with standards and guidelines issued by the Audit Practices Board and our procedures are not designed to provide assurance over the reliability and quality of your financial statements. This will be undertaken by the Council's appointed External Auditor.

We are required by the Annual Internal Audit Report included in the Annual Governance and Accountability Return (AGAR) to review controls in place at the Council against predefined control assertions. These controls are included in the following report.

Thank you for all the information you have provided. I would be grateful if you could present this report at the next available meeting of Full Council.

Yours sincerely,

Paul Russell, Internal Auditor



A. Appropriate accounting records have been properly kept throughout the financial year.

The Council maintains its financial records using the Scribe Accounting system. The internal audit has confirmed that income and expenditure balances to the cashbook and is reconciled to the bank statements on a regular basis. During the review it has been confirmed that there is a clear audit trail from the accounts to supporting documentation such as invoices.

The Council is provided with monthly financial updates including monthly bank reconciliations and these are minuted and signed off.

The opening balances in the cashbook agreed back to the 2023/24 accounts.

A sample of invoices have been inspected against the accounts for payment. No material differences were identified.

The accuracy of the year-end bank reconciliation details has been verified and accurate disclosure of the combined cash and bank balances have been stated in the AGAR, section 2, line 8. (£187,494.82)

As the Council has balances of over £100,000 it does require an Investment Policy. **Recommend that this be addressed during the 2025/26 financial year.**

The Council has met this control objective.

B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

Both Standing Orders and Financial Regulations are based on older versions of the NALC templates.

The Procurement Act 2023 has now been enacted and new limits are now in place. Please note that from 24th February 2025, both above and below threshold notices for new UK procurements will need to be published on Find a Tender: [Find a Tender](#)

It is recommended that both Standing Orders and Financial Regulations are reviewed, updated and approved by Full Council. NALC has recently published two new templates. In particular it is recommended that Council updates Section 18 of its Standing Orders to reflect the new Procurement Act 2023 and the ensure both Standing Orders and Financial Regulation limits match.

All other payments under Box 6 of the AGAR has decreased from £47,279.64 to £42,586.81.

Invoices are normally received via email and uploaded to Scribe. If hard copies are received they are scanned and uploaded to Scribe. Payments are listed on the

agenda. A monthly payment list is provided to Councillors and two Members sign the approval form. This is also signed by the Clerk/RFO. A copy of the form is then kept on file.

A sample test has been undertaken and the following is confirmed:

- Payment agreed to the invoice.
- A sample of Payments have been checked against the bank statements to verify accuracy.
- Expenditure is appropriate.

The Council does not currently have a debit or credit card in place.

The Council is not registered for VAT and submits a VAT claim normally on an annual basis to HMRC. The claim for 2024/25 amounts to £1,945.41. A sum of £2,907.31 was received for 2023/24.

The Council has met the requirements of this control objective.

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these

The Council has a Risk Register in place and it has been updated.

The Council is insured with Hiscox on a standard local council package for employer liability and public liability. Adequate cover is provided and the policy was in date at time of audit.

Play Areas: Copies of the annual independent risk assessment have been provided. Council carries out an annual inspection and the play areas are regularly monitored.

The Council has met this control objective.

D. The precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored and reserves were appropriate

Council had initial balances of £187,494.82 at the beginning of the year and these have decreased to £184,293.04.

End of year bank balances are as follows:

| ACCOUNT | AMOUNT |
|-----------------|--------------------|
| Current Account | £3,000.00 |
| Deposit Account | £59,567.42 |
| Unity Trust | £121,725.62 |
| Total | £184,293.04 |

The Council has Earmarked Reserves in place split into Capital Reserves of £94,252.97 and Earmarked Reserves of £57,878.73.

| ACCOUNT | AMOUNT |
|---------------------|--------------------|
| Reserve Allocations | £152,131.70 |
| General Fund | £32161.34 |
| Total | £184,293.04 |

The precept for 2024/25 was approved at the Full Council meeting on 17th January 2023 amounting to £42,299 (minute 264.b.2)

Budget Monitoring reports are presented to Council and are generated through the Scribe software.

The Council has met this control objective.

E. Expected income was fully received, based on correct prices, properly recorded and promptly banked and VAT was appropriately accounted for.

Precept as stated in box 2 is £42,299. This has been agreed to third party documentation provided by central government.

Income per box 3 to the accounts was £12,976.49, a decrease from income received in 2023/24 of £14,378.46.

A sample has been tested during the year from the cashbook. The transactions were selected randomly and included items from each month of the 2024/25 financial year. No material differences were identified.

A copy of the Allotment Register has been provided alongside a sample of the tenancy agreement. Payments are monitored during the year.

The Council manages the local cemetery. A Burial Register is in place and has been provided. The website also has information relating to the cemetery and forms can be downloaded.

The Council leases the allotment site. A copy of the lease has been provided.

The Council has met this control objective.

F – Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.

The Council does not operate a petty cash account. **Not covered.**

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.

Staff costs per box 4 to the accounts were £15,890.46 compared to the previous year of £13,333.27. It has been confirmed that the amount stated in Box 4 relates only to staff salaries.

A sample of payroll has been reviewed. I am satisfied that gross pay was calculated correctly and all payments to HMRC have been submitted.

Payroll is carried out externally by South Hams District Council and an agreement is in place.

The Council has met this control objective.

H - Asset and investments registers were complete and accurate and properly maintained.

The asset register has been reviewed and updated to include purchases during the year. The Fixed Assets box 9 stated £261,472. for 2024/25.

The Council has met this control objective.

I – Periodic bank account reconciliations were properly carried out during the year.

All the Bank Accounts are reconciled on a monthly basis and reported to Full Council.

The Council has met this control objective.

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.

Malborough Parish Council prepares its annual accounts on a receipts and payments basis as required as it has a turnover of less than £200,000 per annum

The Council has met this control objective.

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”).

The Council is subject to a limited assurance review. **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

Smaller authorities should publish:

- All items of expenditure above £100 (published);
- End of year accounts (published)
- Annual governance statement (published)
- Internal audit report (published)

- List of councillor or member responsibilities (published)
- Details of public land and building assets (published on the website)
- Minutes, agendas and meeting papers of formal meetings (published)

The Council has met this control objective.

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).

The Council published Sections 1 & 2 of the AGAR and the internal audit report.

The Public Notice is published on the Council's website. Dates were 3rd June to 12th July 2024. This meets the 30 statutory days notice requirement. No reference can be found to the Council minuting the dates of the public notice. **Recommend that this be included in the minutes in future.**

The Council has met this control objective.

N: The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR Page 1 Guidance Notes)

The Council has published AGAR documentation from 2019/20 onwards and meets the 5 year publication requirement.

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2024 authorities must publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- Section 1 - Annual Governance Statement 2024/25, approved and signed
- Section 2 - Accounting Statements 2024/25, approved and signed

Not later than 30 September 2024 authorities must publish:

- Notice of conclusion of audit
- Section 3 - External Auditor Report and Certificate
- Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review.

All the items above were published.

The Council has met this control objective.

O – (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.

The Council is not a sole trustee. **Not applicable.**