

Katharine Harrod  
Clerk to the Council  
South Milton Parish Council

5<sup>th</sup> June 2025

Dear Katharine,

**South Milton Parish Council End of Year Audit June 2025**

Parish & Town Auditing Services have been appointed to undertake the internal audit for South Milton Parish Council. The End of Year audit was completed on 5<sup>th</sup> June 2025.

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

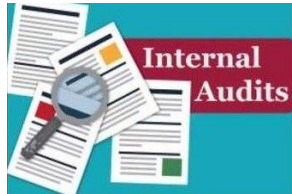
As stated in the Letter of Engagement letter, the scope of our work is limited to completing the audit testing and enquiries we deem necessary to complete Section 4 of the Annual Report for Local Councils in England. We do not provide assurance over or accept responsibility for areas of work not included 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 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. (£18,932.41)

**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.**

Standing Orders are based on an older version of the NALC template. Section 18 requires updating to reflect the limits within the new Financial Regulations.

Financial Regulations are based on the latest NALC template and include the most up to date financial limits.

Please note that from 24<sup>th</sup> 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 Standing Orders are updated and approved by Full Council. 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 increased from £4,413.50 to £4,914.27.

Invoices are recorded in the accounting system and list of payments are presented to Full Council at each meeting for approval.

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.

Councillors have read access to the Scribe Accounting system. Payments are noted on the agenda and then approved at a meeting. An approval form is then signed by two of the Councillors and the Clerk/RFO and kept on file.

During the year the Council tendered for the maintenance of the burial ground. This has been reviewed. The contract was for less than £2,000 and is in order.

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. A claim running from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2025 amounting to £885.80 has been submitted.

**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 was updated in 2024. A further review is scheduled for May 2025.

The Council is insured with Zurich 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.

**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**

The Council's data is backed up to the cloud and also downloaded to a memory stick on a monthly basis.

Council had initial balances of £18,932.41 at the beginning of the year and these have increased to £20,229.27.

End of year bank balances are as follows:

ACCOUNT	AMOUNT
Current A/C	£2,467.16
Deposit A/C	£17,762.11
<b>Total</b>	<b>£20,229.27</b>

The Council has Earmarked Reserves in place.

The 2024/25 precept of £7,896 was approved at the meeting held in January 2025 (Minute 321.b.7)

The 2025/26 precept of £11,844 was approved at the meeting held in January 2025 (Minute 517.b.9)

Budget Monitoring reports are not currently presented to Council on a regular basis.

**It is recommended that regular budget reports against expenditure and income are presented and reviewed by Full Council at least on a quarterly basis.**

**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.**

There are no aged debtors identified.

Precept as stated in box 2 is £7,896. This has been agreed to third party documentation provided by central government.

Income per box 3 to the accounts was £2559.93, an increase of £1,315.88 from income received in 2023/24 of £1,244.05. An explanation of variance has been provided.

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.

The Council is responsible for the management of the Cemetery. A copy of the Register of Burials has been reviewed alongside the internment and memorial forms. Income is recorded in the accounts.

**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 £4,244.80 compared to the previous year of £4,412.68. It has been confirmed that the amount stated in Box 4 relates only to staff salaries.

Staff salary increases have been approved by Council on 25<sup>th</sup> November 2024. (Minute 507.b.3). Salary scale is SCP 26. The Clerk has a contract of employment in place and a copy has been reviewed.

Payroll is outsourced to South Hams District Council.

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

**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 during the year. There have been no asset purchases during this financial year. The Fixed Assets box 9 is stated as £3,369 for 2024/25.

Council is insured with Zurich on a standard policy. Adequate insurance is in place.

**The Council has met this control objective.**

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

The Council has no outstanding loans.

Bank accounts are reconciled on a regular basis using the Scribe accounting system and signed off by a Councillor.

**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.**

South Milton 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 certified itself as exempt at its meeting held on 27<sup>th</sup> May 2024. (Minute 367.b from 1 a-d.

**The Council has met this control objective.**

**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)
- 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 3<sup>rd</sup> June to 12<sup>th</sup> July 2024. This meets the 30 statutory days notice requirement.

**Council did not minute the public notice dates and it is recommended that they do so 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 2018/19 (2019/20 is missing) onwards and meets the 5 year 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 (published);
- Section 1 - Annual Governance Statement 2024/25, approved and signed (published)
- Section 2 - Accounting Statements 2024/25, approved and signed (published)

Not later than 30 September 2024 authorities must publish:

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