

Jennie Currie
Sutton Courtenay Parish Council

27 April 2026

Dear Jennie,

Sutton Courtenay Parish Council - Internal Audit 25-26

The internal audit for the 25-26 financial year is now complete. I am pleased to report that I have signed off the internal audit section of the Annual Governance and Accountability Return (AGAR) for with no comments.

As stated in the 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 and management information – that is the job of external audit.

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 control assertions are set out below, together with the results of my internal audit work. Recommendations are set out at Appendix A. Areas not tested because they are not relevant to this Council are listed at Appendix B.

The audit was carried out in two stages. The interim audit was carried out on 18 February, this concentrated on in year financial transactions and governance controls. The final audit was carried out on 27 April and concentrated on the statement of accounts and balance sheet.

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A - Appropriate books of account have been kept properly throughout the year

Interim Audit

The Council maintains accounting records on the Scribe accounting system. My testing confirmed that accounting records were up to date, and reconciliations have been completed promptly and completely. Good use is being made of the document storage available in Scribe, and the Clerk is using system generated reports to monitor budgets and report to Council.

I was able to agree the opening balances in the cashbook (£197,767.64) back to the audited accounts for 24-25 - Box 7 = £197,768. The audit certificate for 24-5 was clear so there are no matters to take forward to the current accounting year.

The Council last submitted a VAT claim for the period April to September 2025. £3,598 was claimed from HMRC, and this has been checked into the Council's cashbook dated 28.11.25. A schedule of transactions, including supplier details and VAT numbers was submitted alongside the VAT return.

Final Audit

The accounting statements have been agreed back to year end reports produced from the Scribe accounting system. All comparatives reported in the financial statements have been agreed back to the audited 24-25 accounts, as published on the Council website. Arithmetic in the financial statements has been checked.

I confirmed that the VAT return for period October 25 to February 26 has been completed and was submitted to HMRC on 26 March. VAT of £2,787 was reclaimed,

My interim report was considered at the March Full Council meeting (minute 402)

B - The Council's financial regulations have been met, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for

Interim Audit

Standing Orders and Financial Regulations are based on NALC templates. These were last reviewed at the Council meeting in May 2025 – minute 2025/079. I reviewed the Financial Regulations, these appeared to be up to date and reflect the NALC template in place at the time they were approved.

The Council has a clear process for making payments to suppliers. Each month the Clerk prepares a payment list, which is presented to the Council meeting, along with PDF copies of invoices. Invoice approvals are listed in minutes. Payments are then set up by the Clerk and authorised at bank by 2 councillors. There is adequate separation of duties in this system. No change to this process in 25-26.

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I carried out a sample test of non-pay expenditure transactions selected at random from cashbook throughout the financial year. I was able to confirm the following for all transactions:

- Payment agreed to invoice
- Expenditure appropriate for this Council
- Payment approval noted in minutes
- VAT accounting correct
- Payment set up by clerk and authorised by 2 councillors – checked to Unity Bank Log.

Final Audit

Non pay expenditure per box 6 to the accounts amounted to £ 68,741 down from £112,433 in 24-25 .

No further testing carried out at year end – I tested to mid-February at my interim audit, and there have been limited payments processed through cashbook since then.

C - The Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

Interim Audit

The Council is insured with Hiscox on a standard local council package. The policy was in date at time of audit, with a start date of 1/10/25, running “until the policy is cancelled”. Asset cover appeared satisfactory. Assets insured are:

Premises address	Sum insured
Wall, Village Cemetery, Abingdon, OX14 4AR	£21,000

Item description	Excess	Amount Insured
Total Buildings	£250	£21,000
Gates and fences	£250	£21,218
Fixed outside equipment	£250	£0
Street furniture	£250	£25,239
War memorials	£250	£30,900
Playground equipment	£250	£329,600
Sports surfaces	£250	£0
Other surfaces	£250	£10,609
Rent receivable	£250	

The Council backs up computer data to Google Drive. The laptop has a live backup to Google Drive which includes the HMRC PAYE Basic data. The email system is held on a remote server with the IT provider. Scribe data is held by the system supplier and backed up on their servers.

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The Council reviewed the Risk Management Policy alongside other policies and procedures at the Full Council meeting in June 2025 – minute 105. I reviewed the schedule of risks relating to finances and administration of the Council, this appears sufficient for a Council of this size and activity level. I remind the Council that the risk assessment is an active document and should be properly reviewed each year.

D - The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

Interim Audit

The Council has completed the process of setting the 26-27 precept and budget. These were approved at the Full Council meeting on 13 January. A precept of £108,000 was set and a detailed budget was also approved. This is properly recorded within minutes. I am satisfied that precepting authority deadlines were met.

I confirmed regular budget monitoring reports, as required by financial regulations, are being produced for Council meetings, by reviewing minutes. I confirmed that the budget monitoring report for the period to the end of January was included in agenda papers for the February meeting of Full Council. I am pleased to see that the Clerk is using the Scribe report “Summary of Receipts and Payments” for budget reporting. No material overspends were noted, with one line, Office Rental, underspend by £7200.

Final Audit

Reserves at 31 March 2026 were £217,187 (24-25 £197,768).

Reserves are managed on Scribe, and year end balances are set out below:

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Earmarked	
Cemetery	24,340.00
Neighbourhood Plan	2,600.00
Professional Advice	11,585.13
Recreation Ground	14,765.00
Village Hall	7,186.30
CIL	95,524.89
Tree works	2,200.00
War Memorial	1,000.00
SIDs	700.00
S106 Football	6,837.62
Tot Earmarked	166,738.94
TOTAL RESERVE	166,738.94
GENERAL FUND	50,448.19
TOTAL FUNDS	217,187.13

General reserves at year end were £50K. This represents 50% of precept, which is at the mid-point of recommended levels set out in the NALC Practitioners' Guide. General reserves are held at an appropriate level.

The largest earmarked reserve is CIL, properly set aside until used for a permitted project. Other reserves are in place to support assets, expenditure contingencies and projects. I am satisfied that earmarked reserves are well managed and appropriate for this Council.

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

Interim Audit

I tested 3 transactions,

For transactions tested I agreed cash book entry back to :

- Remittance advice notes from principal councils for 106 funding.
- Notification from third party for grant
- Invoice and schedule of cemetery fees for cemetery income

All credits were also checked to bank statements

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Final Audit

Precept per box 2 to the accounts was £102,000 (24-25 £92,800). This has been agreed to third party documentation provided by central government.

Income per box 3 to the accounts was £20,240 (24-25 £105,354). No further testing at the year end audit, there has been minimal income credited to the cashbook in March.

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

Satisfactory. My testing confirmed that the Council does not use petty cash.

G- Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.

Interim and Final Audits

Staff costs per box 4 to the accounts were £34,080 (24-25 £30,797).

I tested the August 2025 payment to the Clerk and was able to agree the cashbook entry to payslip. From there I was able to confirm gross pay to pay award for as published on the JNC PayScale for 24-25, (still in force at the time of my audit), this also agreed to the Clerk's contract. I checked payment made to HMRC back to the payroll for August. The Clerk logged into the Council's account with HMRC and confirmed all submissions and payments are up to date.

At the year-end audit I confirmed that box 4 on the accounting statements only contained staff salary and payroll costs, as required by regulations. An adjustment was made to the accounts to ensure proper accounting for locum costs.

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

Final Audit

Fixed assets per box 9 to the accounts were £ 469,656 (24-25 £466,670).

I have agreed the balance in the accounts back to the asset register. The asset register appears complete and to record assets at cost or proxy cost, as required by regulations, with sufficient detail to locate all assets listed.

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Additions of £2.9K have been recorded on the asset register. A schedule of additions has been provided; these include 3 new litter bins and IT equipment for the new office. 1 deletion in year, a bench with a £1 nominal value.

I – Periodic and year-end bank account reconciliations were properly carried out.

Interim Audit

I was able to confirm that the bank account is reconciled to the cashbook each month, via the cashbook spreadsheet. I was also able to confirm, by reference to minutes of council meetings, that the bank reconciliation is reviewed regularly. The December bank reconciliation was reported to the January meeting (minute 2026/015b).

I reperformed the December bank reconciliation. For all bank accounts I was able to agree the balance on the bank reconciliation back to bank statements and cashbook balances recorded on Scribe. I note that the reconciliation has been reviewed by Councillor Dalby, and this review properly evidenced on the reconciliation and the bank statements. I noted an adjusting item on the bank reconciliation:

The Council has adopted an investment policy, required as cash holdings exceed £100K.

Final Audit

Borrowings per box 10 to the accounts were £nil (24-25 £ nil)

Cash per box 8 to the accounts was £217,187 (24-25 £197,768)

I reperformed the year end bank reconciliation. I agreed all balances in the bank reconciliation back to the accounting system reports and to bank statements. The year end bank reconciliation was found to be accurate. The bank reconciliation has been reviewed by a councillor and this review properly evidenced. Council should note that I was only able to confirm a balance of £72K held with Santander Bank to an August 25 bank statement, as the bank only provides annual statements.

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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, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.

The Council has compiled accounts on the receipts and payments basis. This is correct for a council of this size (turnover below £200K). This is confirmed by the table below.

	23-24	24-25
Receipts	183223	198176
Payments	198553	143230

K: If the authority certified itself as exempt from a limited assurance review in 24-25, it met the exemption criteria and correctly declared itself exempt.

Not applicable, limited assurance review completed in 24-25

L: The Authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements

Yes – the Council has published statutory documentation. The Council has an up-to-date website, and the 24-25 AGAR and audit certificate can easily be located on the website, alongside an archive of AGAR reports. Minutes of Council meetings are published on the website and were up to date at the time of my audit.

M - Arrangements for Inspection of Accounts

Inspection periods for 24-5 accounts were set as follows

Inspection - Key date	24-25 Actual
Accounts approved at Full Council	10 May Full Council
Date Inspection Notice Issued	30 May
Inspection period begins	3 June
Inspection period ends	14 July
Correct length	Yes 30 working days

The Council has met the requirements of this control objective.

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N: Publication requirements 24-25 AGAR

The statement of accounts, annual governance statement and the external audit certificate for 24-25 are published on the transparency page on the Council website. The Conclusion of Audit certificate was published on 22 July, after the date of the audit certificate (15 July) and before the statutory deadline. The audit certificate was clear, The external audit certificate was reported to the September meeting of Full Council (minute 2025/140). An archive of AGAR reporting is held on the website, as required by regulations.

O: The authority has complied with laws, regulations & proper practices relating to digital and data compliance.

The Council has completed a review of data management practices following the addition of Assertion 10 to the Annual Governance Statement. This was discussed at the March Full Council meeting. I have discussed Assertion 10 with the Clerk, and it appears the Council is compliant. It is recommended that the Council formally confirms it is fully compliant with paragraphs 1.47 to 1.54 of page 14 of the Practitioners' Guide to support a positive response on the Annual Governance Statement.

P - Trust funds (including charitable) The council met its responsibilities as a trustee.

The Village Hall Charity is now set up as a CIO, with its own bank account, the Council is sole trustee of this new charity (charity number 1210606), For much of 25-26, the Village Hall continued to operate via the predecessor charity (charity number 300213).

It is recommended that:

- The Council contacts the solicitor dealing with the matter to confirm start dates for the new charity
- The Council works with the trustees of the predecessor charity to close down the charity and make arrangements for closure of bank accounts and transfer of any cash balances

At the final audit, the Clerk confirmed that the new charity has a start date of 1.4.25, and that accounts will be produced for the 25-26 financial year.

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April Skies

Accounting

I would like to thank you for your assistance with the audit. I attach my invoice and the Internal Audit Report from the AGAR for your consideration. I look forward to working with you again in 26-27.

Yours sincerely



Mike Platten CPFA

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Appendix A – Recommendations

Points Forward – Action Plan - Interim Audit

Matter Arising	Recommendation	Council Response
<p>For 25-26, an additional assertion has been added to the Annual Governance Statement, this covers digital and data compliance. The Council is largely compliant with the requirements of the Practitioners' Guide in this area.</p>	<p>For clarity, it is recommended that the Council considers compliance with paragraphs 1.47 to 1.54 on page 14 of the Practitioners' Guide at a meeting before the end of the financial year. This should support a positive response on the Annual Governance Statement.</p>	<p>Actioned, further detailed report needed to support annual governance statement sign off.</p>
<p>Village Hall Charity (CIO)</p>	<p>It is recommended that:</p> <ul style="list-style-type: none"> - The Council contacts the solicitor dealing with the matter to confirm start dates for the new charity - The Council works with the trustees of the predecessor charity to close down the charity and make arrangements for closure of bank accounts and transfer of any cash balances - The Council should mark the 25-26 AGAR appropriately (Box 11 a and b on accounting statements. Box 9 on Annual Governance Statement) 	<p>New charity 1.4.25 start date, confirmed with solicitors.</p>

No further recommendations at year end audit.

Appendix B

Internal Audit Control Objectives – Marked as not covered

Control Objective	Area for Audit	Why this has not been audited
F	Petty Cash	No petty cash at this council
K	Exemption from limited assurance review	Council had limited assurance review last year

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