

Wavendon Parish Council

Internal Audit Report 2024-25

Prepared by Sally King

*for and on behalf of
Auditing Solutions Ltd*

Background

Statute requires all town and parish councils to arrange for an independent internal audit examination of their accounting records and systems of internal control, and for the conclusions to be reported each year in the Annual Governance and Accountability Return (AGAR).

This report sets out the work undertaken in relation to the 2024-25 financial year for both Wavendon Parish Council and Wavendon Community Centre.

Internal Audit Approach

In undertaking our review for the year, we have had regard to the materiality of transactions and their susceptibility to potential mis-recording or misrepresentation in the year-end Statement of Accounts / AGAR. We have again employed a combination of selective sampling techniques (where appropriate) and 100% detailed checks in the required key areas to gain sufficient assurance that the Council's financial and regulatory systems and controls are appropriate and fit for the purposes intended.

Our programme is also designed to facilitate our completion of the 'Internal Audit Report' in the Council's AGAR process which requires independent assurance over several internal control objectives.

Overall Conclusion

We have concluded that, based on the satisfactory completion of our programme of work undertaken during our audit, the Council has again maintained more than adequate and effective internal control arrangements. We are pleased to acknowledge the continued quality of records maintained by the Clerk and thank him for his assistance, which has ensured the smooth progress of our review process. We are pleased to report that there are no issues arising this year warranting formal comment or recommendation.

We have completed and signed the 'Internal Audit Report' having concluded that, in all significant respects, the control objectives set out in that Report were being achieved throughout the 2024-25 financial year to a standard adequate to meet the needs of the Council.

Detailed Report

Maintenance of Accounting Records & Bank Reconciliations

Our objective in this area has been to ensure that accounting records are being maintained accurately and on a timely basis, and that no anomalous entries appear in the cashbook.

The accounting records for Wavendon Parish Council have been managed using Scribe, the Community Centre continues to use an Excel Spreadsheet. The Council operates both a current and a deposit bank account with Barclays Bank PLC and separate accounts also with Barclays for the Community Centre and reporting on a Receipts & Payments basis.

To ensure the appropriateness and accuracy of the recording of transactions, we have:

- Confirmed the accurate carry-forward of prior year closing balances to 2024-25.
- Ensured that the cost and expenditure coding structure on Scribe is appropriate for purpose
- Audited the accounts of the Community Centre for 2024-25.
- Ensured that the spreadsheet affords appropriate analysis of receipts and payments for the Community Centre.
- Checked and agreed the cashbook detail to supporting bank statements for March 2025.
- Checked detail on the bank reconciliations for those accounts as of 31st March 2025 to ensure that no long-standing uncleared cheques or other anomalous entries exist.
- Verified the bank reconciliation detail on each bank account as of 31st March 2025 also ensuring the accurate disclosure of the combined balances in the year-end Accounts.

Conclusions

We are pleased to report that no matters have arisen in this area of our review process warranting formal comment or recommendation; we have ensured the accuracy of the year-end balances reported in the detailed Statement of Accounts and AGAR.

Review of Corporate Governance

Our objective is to ensure that the Council has a robust regulatory framework in place; that Council meetings are conducted in accordance with the adopted Standing Orders (SOs) and that, as far as we are reasonably able to ascertain, no actions of a potentially unlawful nature have been or are being considered for implementation.

We have reviewed minutes of Council meetings held during 2024-25 the principal aim being to consider whether any issues exist that may have an adverse effect on the Council's financial stability in the short, medium, or longer term, also that, as far as we may reasonably be expected to ensure. no indication exists that the Council may either be considering or have taken decisions that might result in ultra vires expenditure being incurred.

We note that the Standing Orders & Financial Regulations have been reviewed, updated, and re-adopted at the meeting held on 18th September 2023 (minute ref. 16).

Reviewed the external auditor's report, issued since our last visit; to confirm they are raising no matters regarding the Councils accounts and governance.

Conclusion

We are pleased to report that no matters have arisen from this review area requiring formal comment or recommendation.

Review of Payments

We have reviewed the procedures in place for receiving invoices, checking their authenticity, accurate detail recording, processing by the Clerk and formal approval for payment by Members. Our objective is to ensure that:

- Payments have been made in accordance with the Council's approved procedures and budget for the financial year.
- Payments are supported by a trade invoice or acknowledgement of receipt.
- VAT has been calculated correctly and is recovered at appropriate intervals.
- The Council has formally approved each payment.
- Payments have been correctly analysed in the cashbook and year-end Statement of Accounts prepared for members.

As part of our payment review, we have examined a sample of approximately 50% of the cashbook transactions to the invoices for the 2024-25 financial year, with no issues arising.

We further note that recoverable VAT relating to 2024-25 financial year has been identified for reclaiming.

Conclusions

We are pleased to report that we consider the controls over the authorisation and release of expenditure adequate and to be operating effectively with the above criteria met for each of the sample payments examined.

Assessment and Management of Risk

Our objective is to confirm that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and operational / health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks to minimise the opportunity for their coming to fruition. We are pleased to note that:

- An appropriate Risk Register is in situ; this was reviewed and readopted at the meeting held on 21st October 2025 (minute ref. 17) in January 2024.

- The Council's insurance cover is provided by Clear Councils we have examined the current policy schedule and consider that it meets the present needs of the Council with both Public and Employer's Liability at £10 million and Fidelity Guarantee cover of £250k.

Conclusions

We are pleased to report that no matters have arisen from this review area requiring formal comment or recommendation.

Budgetary Control and Reserves

The Council finalised its budget and precept deliberations for 2025-26 at the meeting held on 20th January 2025 adopting the latter at £185,320 (minute ref. 15), representing an increase of 10.04% on the previous year.

Members continue to receive regular updates of the financial position at each council meeting, with details of the bank balances, income received and payments either made or due for approval.

At the year end, total reserves stood at £99,879.

Conclusions

We are pleased to report that no issues have been identified in this area warranting formal comment or recommendation.

Review of Income

The Council receives income by way of the annual precept, a small amount of bank interest, grants from MK, recoverable VAT, and Community Centre income.

Conclusion

We are pleased to report that no matters have arisen from this area of our review that require a formal comment or recommendation.

Petty Cash

The Council no longer operates a petty cash account, with any out-of-pocket expenses incurred by the clerk reimbursed routinely throughout the year.

Review of Staff Salaries

In examining the Council's payroll function, our objective is to confirm that extant legislation is being appropriately observed as regards adherence to the Employee Rights Act 1998 and the requirements of HM Revenue and Customs (HMRC) legislation as regards the deduction and payment over of income tax and National Insurance Contributions (NIC).

- Noted that the payroll is processed by the Clerk using the HMR&C Basic PAYE Tools software.
- Payments are then made to the Clerk, Community Centre staff and HMRC by standing orders and cheques respectively.

We are note that from the minutes that the Clerk's and other employees remuneration was reviewed for the 2025-26 financial year at the meeting held on 17th February 2025 (minute refs 16.1/2/3).

Conclusion

We are pleased to report that no matters have arisen from this area of our review that require a formal comment or recommendation.

Asset Registers

The Governance and Accountability Manual requires all councils to develop and maintain a register of assets identifying detail of all land, buildings, vehicles, furniture, and equipment owned by the Council.

The Council manages its asset register on an excel spreadsheet which had been updated for 2024-25.

Conclusions

We are pleased to report that there are no significant issues arising in this area of our review process warranting formal comment or recommendation. We have ensured the appropriate recording of these assets in the AGAR.

Investments and Loans

The Council holds no investments or loans. We again take this opportunity to draw the Clerk and Council's attention to a current change in the requirement for production of a formal Investment Strategy: whilst this only becomes mandatory for Councils with retained funds more than £100,000, current NALC guidance indicates that, again in line with best practice, all Councils holding funds more than £10,000 should also develop an appropriate Strategy. Bearing in mind the balance of monies held by the Council we suggest it would be appropriate to prepare an investment policy.

Conclusions

We are pleased to report that there are no issues arising in this area of our review warranting formal comment or recommendation.

Statement of Accounts and AGAR

The Accounts and Audit Regulations 1996 (as amended periodically) required councils to prepare a formal Statement of Accounts and supplementary Supporting Notes. With effect from March 2011, the AGAR now forms the only statutory Accounts of the Council that are subject to external audit review and certification.

We have checked and agreed entries in the Statement of Accounts generated to the accounting software reports, spreadsheet cash book and other documentation provided. Similarly, we have checked and agreed the financial data reported to the AGAR.

Conclusions

No issues have been identified in relation to the verification of detail in the Statement of Accounts and AGAR this year.

Based on our detailed work during the year on the Council's systems of financial control and content of the detailed Statement of Accounts and that summarised detail set out in the AGAR, we have signed off the Internal Audit Report of the AGAR assigning positive assurances, in each relevant area.