

SHALFLEET PARISH COUNCIL

INTERNAL AUDIT REPORT 2024-25

1.INTRODUCTION

All Local Councils in England are required to complete an Annual Governance and & Accountability Return (AGAR) summarising their financial records at the end of the financial year. The Annual Internal Audit Report section of the AGAR needs to be completed by an Auditor who shall be independent of the Council. The Councils External Auditor needs to place reliance on the work of the Internal Auditor and provides guidance on the minimum level of testing required to provide this assurance.

2.SCOPE OF AUDIT

The audit includes for examination on a test basis of evidence relevant to the amounts and disclosures as contained in the accounts. This examination has included the following-

- Matching of financial statements to invoices and receipts.
- Examination of budget preparation & precept setting.
- Inspection of bank statements.
- Completion of risk assessment.
- External Audit requirements.
- Compliance with Transparency Code for Smaller Authorities.

3.FINDINGS

- (1) The payroll service is now being undertaken by Community Action Isle of Wight (CAIOW) who will provide all HMRC submissions and reporting requirements.
- (2) The accounting record's, bank statement's and bank reconciliation for the year ended 31st March 2025 were examined and agreed. VAT had been accounted for correctly. VAT paid is recoverable from HMRC and a VAT refund of £ 1,570.36 is currently being claimed by the RFO in respect of 2024-25 financial year expenditure.
- (3) The Annual Governance & Accountability Return requires the Internal Auditor to be satisfied that the Council has assessed the risks to not achieving its objectives. The Risk Assessment is reviewed on an annual basis.
- (4) The Council precept for 2025-26 was set at £51,517 after a proper budget setting process. The precept was received in full from the IW Council on 7th April 2025.
- (5) Accounting records have been kept on a payments and receipts basis which is in accordance with the Accounts and Audit Regulations requirements.

- (6) Shalfleet Parish Council has income & expenditure of greater than £25,000 per annum and is therefore required to submit to its External Auditor a completed Annual Governance & Accountability Return (AGAR) Form 3 by the 30th June 2025.
- (7) The Transparency Code for Smaller Authorities requires the publication of certain information on a website. On examination of information contained on its former website I am of the opinion that the Parish Council is complying with the requirements of the code. The following documents will be required to be placed on the new Parish Council website arising from the 2025-26 AGAR submission –
1. AGAR Report of the Internal Auditor.
 2. Section 1 of AGAR – Annual Governance Statement.
 3. Section 2 of AGAR – Accounting Statements.
 4. External Auditors Report and Certificate (to be received by 30th September 2025).
 5. Notice of Exercise of Public Rights.

Having regard to the above I am of the opinion that I have adequate assurance to complete and sign the Annual Internal Audit Report section of the Annual Governance & Accountancy Return.

Stephen Milford

STEPHEN MILFORD , CPFA

9th June 2025