

Crookham Village Parish Council (“The parish” or “The council”)

Internal Audit Report 31 March 2025 – working papers

The parish council is required to complete the Annual Governance and Accountability Return (“AGAR”) Form, part of which is the Annual Internal Audit Report. The total income of the parish is £246k in the year to 31 March 2025, and therefore the AGAR is a legal requirement.

The internal audit report is required to be completed and noted before the council approves the annual governance statement, hence a short timescale.

The internal audit report is page 3 of the AGAR and sets out a number of steps to be marked as yes, no or not covered by the auditor.

Overview and confirmation of independence

I do not live in Crookham Village parish and have no conflict of interest with any of the reporting requirements or income or expenditure of the parish. I am not a friend or colleague of any of the councillors or the RFO of the parish. I am happy that I am independent of the parish, councillors and staff.

The records continue to be maintained by Angela Sayers, the RFO of the parish, using Quickbooks, supported by well maintained paper files consisting of:-

1. CVPC audit files (2 folders) to 31 03 2025. These contain the AGAR and supporting information, minutes of meetings, VAT returns, P60s, bank reconciliation reports up to and including 31 03 2025, petty cash summaries for the year, summary of deposits received from parishioners, fixed asset insurance values and policies, and year end bank reconciliation plus supporting statements.
2. NatWest current account paper statements for entire year.
3. Folder of sales invoices for entire year to 31 03 2025. Sales income derived from pitch hire at Zebon Copse, or hall hire at either Zebon, Crookham Hall or Hareshill Community Centre. All hire bookings subject to standard rated VAT except U3A which is a registered charity. Pitch hire is outside the scope for VAT purposes.
4. 5 folders of purchase invoices in date order. These show evidence of review and authorisation as necessary. The minutes referred to in point 1 above also list expenses month by month approved at each meeting.

The records allow a review of the information necessary to complete each stage of the internal audit, and the sections A to O on the internal audit report are dealt with below. Any work is based upon a reasonable sample given the size of the parish and its finances:-

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

Records are maintained on QuickBooks software by the RFO to a very high standard. Bank accounts are regularly reconciled, including, but by no means limited to, the year end.

Sales invoices on Quickbooks in numerical order, no unusual entries within sales listings

Year-end debtors seem reasonable, with all but one of the outstanding invoices having been raised in March 2025.

Year-end creditors also seem reasonable and at an expected level for the size of the organisation.

All entries on QuickBooks supported by invoices and other information.

Conclusion – Yes, appropriate records properly kept throughout the year.

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

The parish council complies with its financial regulations by ongoing maintenance of day-to-day accounting records to enable councillors at monthly meetings to oversee and authorise income and payments. The parish council website publishes these minutes which I have reviewed to confirm that all matters are reviewed and minuted as necessary. There is no indication from any of these minutes that the council has not complied with its financial regulations.

I have selected a sample of 12 random payments from the bank statements across the year and confirmed these back to invoices, authorisation and VAT position. I have taken one purchase payment from the bank statements each month at random

Date	Payee	Amount	Invoice	Authorised	VAT	Paid
April	AC Line Markings Ltd	960.00	Yes	Yes	Yes	26/04/24
May	Came & Company	8,763.60	Yes	Yes	No	29/05/24
June	CBS	202.80	Yes	Yes	Yes	28/06/24
July	JRB Enterprises	597.60	Yes	Yes	Yes	26/07/24
August	Larks D.S.D Painters & Decorators	2,090.00	Yes	Yes	Yes	28/08/24
September	Transfer	74,000.00	No	Yes	No	27/09/24
October	Sunshine Commercial Services	648.00	Yes	Yes	Yes	28/10/24
November	Castle Water	176.07	Yes	Yes	No	18/11/24
December		1,825.88	Wages	Yes	No	23/12/24
January	Intuit	58.2	Yes	Yes	Yes	16/01/25
February	KBO Fire and Security	552.00	Yes	Yes	No	27/02/25

March	Viking Direct	55.79	Yes	Yes	Yes	27/03/25
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No issues with the above sample. I also flicked through all invoices in tracking down the above sample and no issues noted.

Conclusion – yes, the council has complied with regulations, payments supported by invoices etc.

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

The council has a detailed risk assessment policy document as part of the parish council documents as part of its publicly available website. I have reviewed this document and am satisfied the council has assessed significant risks and how it would deal with any threats.

Conclusion – yes, this section is adequately dealt with.

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

The budget for 2024/25 was approved at a full council meeting on 5th February 2024. The budget for 2025/26 was agreed in the council meeting of February 2025. (Minutes seen)

Progress against budget is regularly monitored by way of a spreadsheet prepared by Angela, and this is reviewed by the councillors at meetings.

CVPC has adequate reserves in accordance with the council's stated policy.

Conclusion – yes, this section is adequately dealt with

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

See A above, all sales have been properly recorded and accounted for. VAT has been charged to all hirers except U3A who have not been charged VAT as a charity – this treatment has now been clarified and confirmed as correct; U3A confirm their charitable status annually. The VAT position for hire of sports pitches is outside the scope.

I have confirmed that precept income has been received and properly accounted – see internal audit hand-written papers.

In section A above, I have noted that there are trade debtors at the year-end. I have selected four of the outstanding sales invoices from a total of thirteen outstanding invoices to confirm that they were received after the year end.

Date	Invoice	Hirer	Gross	Bank
31/03/2025	6225	Paul Dobson	344.07	07/04/2025
31/03/2025	6227	Fleet and District U3A	1,146.39	22/04/2025
31/03/2025	6231	YogaBellies Farnborough	1,086.37	30/04/2025
31/03/2025	6236	MF Martial Arts South LLP	288.00	01/05/2025

From the sample I am satisfied that all sales invoices showing as outstanding have been received after the year end.

Conclusion – Yes, the council has met this objective

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

The petty cash balance never exceeded a material sum in the year, and cash withdrawals to cover cash expenses are only minimal. QuickBooks has detailed records to support cash expenses and the petty cash balance, and given the sums involved and I am happy that the council has achieved this objective.

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.

Salaries on QuickBooks for all the 5 employees have been agreed to the published P60s covering the year to 31 March 2025, with additional costs correctly confirmed as made up on employers' NI and pension costs.

Correctly, no employment allowance has been claimed as local authorities are not allowed to do so.

Journal postings of salaries on QuickBooks are correct, with net pay taken to a control account. Payments made via Future Dated Payments from NatWest which are scheduled each month and must be approved by councillors. There is clear evidence of these payments and their approval.

PAYE, NI and pension liabilities correctly posted to control accounts with liabilities settled in the same month, hence no year end liability.

Conclusion – Yes, all matters dealt with in accordance with internal control objectives

H. Asset and investments registers were complete and properly maintained

Yes, the RFO maintains such registers and these are, to my knowledge, complete and properly maintained. The council has achieved this objective.

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

Yes, the RFO completes monthly bank reconciliations using QuickBooks. At the year-end reconciliation there were no outstanding items.

Conclusion – yes, the council has achieved this objective.

J. Accounting statements prepared during the year were prepared on the correct accounting basis, agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.

Because the RFO utilises QuickBooks for any reports, and the software has been subject to the review points set out above, I am happy to conclude that the council meets this objective.

K. If the authority exempted itself etc

This point is not/applicable

L. The authority published the required information on its website up to date at the time of the internal audit in accordance with the relevant legislation

Yes, the website contains up to date information, and the council has met this 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 & Audit regulations.

Yes, the council has achieved this objective. Published June 2024

N. The authority has complied with the publication requirements for 2023/24 AGAR

Yes, the authority has complied with this

O. (For Local Councils Only)

Not applicable