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The Councillors
Chaddleworth Parish Council
c/o Mr D Jennings
The Hollies
Chaddleworth
Newbury
Berkshire RG20 7EJ

4th June 2025

Dear Councillors

Internal audit for the year ended 31st March 2025

Local councils are required to have an internal audit of their accounting records and their system of internal control by Regulation 5 of the Accounts and Audit Regulations 2015. During my work in May 2025, I reviewed the financial systems and controls for the year, together with the financial statements and annual return.

My internal audit testing was based on the guidelines included in section 4 of the 2024 NALC Governance & Accountability Practitioners Guide (PG2024). My discussions with David confirmed the internal controls in place and a series of tests using the financial records, vouchers, minutes, previous audit reports etc were conducted to establish the effectiveness of these controls.

Overall conclusion

My audit of the previous year confirmed several issues that needed resolving. The Council has made good progress in many of these areas and there are just a few audit assertions that I have not been able to sign off, mostly due to the late signing of the AGAR in the previous year.

My detailed work is included in Appendix 1. I have signed the internal audit report on the AGAR with all applicable objectives having been met apart from the exceptions as follows:

- Objective L Lack of up-to-date publishing of information on the website
- Objective M No exercise of public rights conducted
- Objective N Lack of publishing of documents relating to the AGAR

Appendix 2 lists the information that is required to be displayed on the website in accordance with Transparency Code requirements.

Appendix 3 gives some details regarding the new assertion which will appear in next year's annual governance statement and the guidance that the Council will need to have followed in order to give a positive response to it. This is purely for information and does not affect the 2024-25 audit in any way.

Yours faithfully



Claire Connell

Appendix 1 - Detailed report (structured around the questions in the Internal Audit Report on the AGAR)

<u>Annual Return Section</u>	<u>Assertion met?</u>	<u>Comments</u>
A. Appropriate accounting records have been properly kept throughout the financial year.	Yes	An Excel spreadsheet is used, kept up-to-date and is accurate.
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	Yes	The cashbook was reviewed for the year. A sample of payment invoices was checked to ensure that they had been approved, correctly paid and VAT treated correctly. No errors were found.
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Yes	Council minutes were scrutinised The insurance cover is a council specific policy obtained from Aviva through Clear Councils (previously known as BHIB) brokers. Standing Orders and Financial Regulations were updated in May 2024 and again in May 2025. The risk management policy was approved in May 2024.
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Yes	The budget and precept were approved in January 2025. Financial reports were periodically made. A reserves policy was considered during the year and adopted in May 2025.
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Yes	The precept was agreed to Council minutes and bank statements The outstanding VAT reclaims have been made during the year.
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	N/A	No petty cash is maintained by Chaddleworth Parish Council.
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.	Yes	Salaries have been paid and the relevant submissions have been made to HMRC. I note that the back-pay arising from the pay review agreed by the National Joint Council was not implemented until the start of the following financial year.
H. Asset and investments registers were complete and accurate and properly maintained.	Yes	The fixed assets register was reviewed. This has been amended during the year to include purchase dates where known.

<p>I. Periodic bank account reconciliations were properly carried out during the year</p>	<p>Yes</p>	<p>The year end bank reconciliation was checked and agreed to the bank statements.</p> <p>Periodic bank reconciliations were carried out during the year.</p> <p><u>PG2024 paragraph 1.10 states that bank reconciliations should be prepared on a regular basis and reviewed by members of the Council.</u></p>
<p>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.</p>	<p>Yes</p>	<p>The annual return and supporting documentation for the annual return were reviewed.</p> <p>The annual return has been prepared on a receipts and payments basis and the comparative figures for 2023-24 have been restated to be shown on the same basis.</p> <p>There is an adequate audit trail from underlying records.</p>
<p>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.</p>	<p>Yes</p>	<p>The parish council correctly certified itself as exempt in 2023/24.</p>
<p>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</p>	<p>No</p>	<p>At the time of my review, a few of the required pieces of financial information for 2023/24 were not available on the Council website.</p> <p>Please see Appendix 2 for a list of information that needs to be published.</p> <p>The information for 2024/25 needs to be published by 1st July 2025.</p>
<p>M. In the year covered by the AGAR, the authority correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.</p>	<p>No</p>	<p>The Council did not provide for the exercise of public rights following completion of the 2023-24 AGAR.</p> <p>The external auditors provide a template for advertising the exercise of public rights which should be used for the 2024-25 AGAR. The period must be for 30 working days and include the first 10 working days of July.</p>
<p>N. The authority has complied with the publication requirements for the 2023/24 AGAR (see AGAR Page 1 Guidance Notes).</p>	<p>No</p>	<p>The Council did not publish all of the documents as required by page 1 of the AGAR for 2023/24.</p>
<p>O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.</p>	<p>N/A</p>	<p>The Council is not a sole trustee for any charities or trusts.</p>

Appendix 2 – Transparency Code Documentation Required to be Published

When the Council has income and expenditure less than £25,000, it is required to comply with publishing requirements of the Transparency Code.

Other items are required to be published by legislation such as the Accounts and Audit Regulations and CIL legislation.

Item	Comments
All items of expenditure > £100	There is a comment on the website stating that all items of expenditure are listed in the minutes.
End of year accounts	This should include <ul style="list-style-type: none"> • Accounting statement from the AGAR • The bank reconciliation as at the year end • An explanation of variances
Annual governance statement	
Internal audit report	
List of councillor responsibilities	The website shows a list of all councillors and identifies the Chairman and Vice-Chairman
Details of public land & building assets	The council doesn't own any land or building assets so a simple statement to that effect would suffice.
Minutes, agendas & meeting papers of formal meetings	Minutes and agendas are available on the website. Meeting papers should also be published
AGARs for the past five years	
CIL reports	The annual CIL report which is sent to WBC should be displayed on the council website.

Items in red are missing from the website.

Appendix 3 – New Assertion on the 2025-26 Annual Governance Statement

When the Council completes the Annual Governance Statement for the year ended 31st March 2026, it will need to respond to a new assertion regarding digital and data compliance.

The Practitioners' Guide issued in March 2025 states that to warrant a positive response to this assertion, the authority needs to have taken the following actions:

1.47 Email management - every authority must have a generic email account hosted on an authority owned domain, for example clerk@abcparishcouncil.gov.uk or clerk@abcparishcouncil.org.uk rather than abcparishclerk@gmail.com or abcparishclerk@outlook.com.

1.48 All smaller authorities (excluding parish meetings) must meet legal requirements for all existing websites regardless of what domain is being used.

1.49 All websites must meet the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.

1.50 All websites must include published documentation as specified in the Freedom of Information Act 2000 and the Transparency code for smaller authorities (where applicable).

1.51 All smaller authorities, including parish meetings, must follow both the General Data Protection Regulation (GDPR) 2016 and the Data Protection Act (DPA) 2018.

1.52 All smaller authorities, including parish meetings, must process personal data with care and in line with the principles of data protection.

1.53 The DPA 2018 supplements the GDPR and classifies a parish council as both a Data Controller and a Data Processor.

1.54 All smaller authorities (excluding parish meetings) must also have an IT policy. This explains how everyone - clerks, members and other staff - should conduct authority business in a secure and legal way when using IT equipment and software. This relates to the use of authority-owned and personal equipment.