

Lynne Brooks  
Clerk to Kirdford Parish Council

27 May 2026

Dear Lynne,

**Kirdford Parish Council - Internal Audit 25-26**

The internal audit for the 25-26 financial year is now complete. I report that I have signed off the internal audit section of the Annual Governance and Accountability Return (AGAR) for with one comment:

<b><u>M - Arrangements for Inspection of Accounts</u></b>	Inspection period 1 day too long in 24-25, reported by external audit
-----------------------------------------------------------	-----------------------------------------------------------------------

The Council will also need to mark assertion 4 on the Annual Governance Statement as “No”

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 for 25-26. 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 19 February, this concentrated on in year financial transactions and governance controls. The final audit was carried out on 26 May and concentrated on the statement of accounts and balance sheet.

• 07958 990310

✉ [mike@aprilskies.co.uk](mailto:mike@aprilskies.co.uk)

**Company Registration Number 14174016  
6 Uplands Road. Farnham GU9 8BP**

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

**Interim Audit**

The Council continues to maintain accounting records on to the Scribe accounting system. The Clerk is making good use of the application to report and record the financial transactions of the Council, and a review of the cashbook shows that all data fields are being entered. The document storage function is being used to store invoices and other documents alongside accounting transactions.

I was able to agree the opening balances in the cashbook back to the audited accounts for 24-25. Box 7 in last year's audit accounts was £255,762. This has been agreed to the balance brought forward on the cashbook on Scribe (£255,761.44).

A VAT return was submitted for the period 1 July 2025 to 31 January 2026. VAT reclaimed was £4,913, this has been agreed to a schedule of transactions on the Scribe Section 126 VAT report.

**Final Audit**

The accounting statements have been agreed back to year end reports produced from the Scribe accounting system (AGAR report/cashbook/ bank reconciliation). All comparatives reported in the financial statements have been agreed back to the audited 24-25 accounts, as published on the Council website. 2 £1 restatements have been made following comment by external audit in 25-26. Arithmetic in the financial statements has been checked.

The Council last submitted a VAT return for the period 1 July 2025 to 31 January 2026, this was submitted to HMRC on 11 February, next return due at end of June.

My interim report was considered at the March Full Council meeting (item 8e.) The full report was shared as an agenda item and recommendations were properly reported.

**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**

Financial Regulations were reviewed at the Council meeting on 15 October – minute 389. I reviewed the regulations; these are published on the website. The revisions to the template published by NALC in 2025 have been included, and the financial regulations are up to date. Standing Orders, also based on NALC template, were last reviewed at the January 2025 Council meeting.

• 07958 990310

✉ [mike@aprilskies.co.uk](mailto:mike@aprilskies.co.uk)

Company Registration Number 14174016  
6 Uplands Road. Farnham GU9 8BP

There has been no change to payment procedures this year. Proposed payments are signed off by 2 councillors prior to payment. The Clerk then sets up and authorises the payments at the Council's bank account. Signature of 2 councillors is required on all payment instructions, and payments must be reported to Council.

I carried out a sample test of 5 non-pay expenditure transactions selected from the payments report in Scribe. I was able to confirm the following for all transactions:

- Payment agreed to invoice
- VAT accounting correct for transaction
- Invoice signed off by 2 councillors
- Payment approval noted in minutes of council meeting
- Expenditure appropriate for the Council

### **Final Audit**

Non pay expenditure per box 6 to the accounts amounted to £ 62,336 down from £222,375 in 24-25.

No further testing completed at the year end audit. There has been minimal non payroll expenditure since my interim audit in January, and sufficient assurance was obtained through interim audit testing.

### **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 Ecclesiastical on a standard local council package, arranged by Clear Councils. The policy was in date at time of audit, with an expiry date of 31 May 2026. Asset cover in the policy is as follows:

• 07958 990310

✉ [mike@aprilskies.co.uk](mailto:mike@aprilskies.co.uk)

Company Registration Number 14174016  
6 Uplands Road. Farnham GU9 8BP

Item Insured	Sum Insured	Declared/Full Value
BUILDINGS	£0	£0
CONTENTS	£33,000	£27,500
Street Furniture	£72,000	£60,000
Walls, Gates and Fences	£36,000	£30,000
Playground Equipment	£151,447	£126,206
War Memorials	£48,000	£40,000
CCTV Equipment	£0	£0
Ground Surfaces	£13,222	£11,019
Mowers and Machinery	£6,000	£5,000
Sports Equipment	£18,000	£15,000

No buildings are insured; the Village Hall is insured by the Trustees.

All computer data is Office 365 based and held in the Cloud, which ensures computer information is properly backed up. Scribe accounting data is managed by the supplier and backed up to Scribe servers.

### **Final Audit**

The Council has a risk assessment document in place and monitors and reviews risk on an ongoing basis. The risk register was reviewed by the Full Council at the meeting in March, agenda item 8e. I have reviewed the risk assessment, and it appears comprehensive and accurately record risks to be faced by a council of this size and activity.

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

### **Interim Audit**

I was able to confirm that the process for setting the budget and precept for 26-27 has been completed. A precept of £102,960K was set, this was approved at the November meeting (minute 430). A detailed budget was approved; this is set out in the Agenda for this meeting, and was prepared using the Scribe budget setting tool.

• 07958 990310

✉ [mike@aprilskies.co.uk](mailto:mike@aprilskies.co.uk)

Company Registration Number 14174016  
6 Uplands Road. Farnham GU9 8BP

I confirmed regular budget monitoring reports, as required by financial regulations, are being produced for Council meetings. This is confirmed in minutes. I reviewed the report produced for the February 2026 Council meeting. I note that the budget was 22% spent at the end of month 10. This is due to the major projects budgeted for 25-26 but not yet commenced (Neighbourhood Plan / Great Common rebuild / Butts Common).

### **Final Audit**

Reserves at 31 March 2026 were £269,871 (24-25 £255,761).

Year-end reserve balances reported on Scribe are as follows:

<b>Earmarked</b>	
Village Hall Extension	9,191.30
Recreation Ground Pavilion	0.00
Recreation Ground Play Eq	0.00
Great Common Pavilion Re	140,874.40
Village Improvement Fund	3,185.62
Environmental Concerns/En	-3,637.99
Play Equipment Maintenanc	0.00
Planning Support Services	7,751.17
Neighbourhood Plan Revie	40,000.00
Village Hall Roof Replacem	0.00
Butts common barrier repla	20,000.00
<b>Tot Earmarked</b>	<b>217,364.50</b>
<b>GENERAL FUND</b>	<b>52,506.63</b>
<b>TOTAL FUNDS</b>	<b>269,871.13</b>

General reserves at year end were £52K, This represents 50% of annual 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.

I reviewed earmarked reserves. These are principally held to support future projects (Great Common Pavilion / Neighbourhood Plan / Butts Common barrier). There was a negative reserve balance on the Environment Reserve at 31 March. This has now been cleared by a transfer from the general reserve, I am satisfied that earmarked reserves are held for properly defined projects and expenditure plans.

• 07958 990310

✉ [mike@aprilskies.co.uk](mailto:mike@aprilskies.co.uk)

Company Registration Number 14174016  
6 Uplands Road. Farnham GU9 8BP

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

**Final Audit**

Precept per box 2 to the accounts was £99,000 (24-25 £84,000). This has been agreed to third party documentation provided by central government.

Income per box 3 to the accounts was £10,389 (24-25 £13,131)

I have reviewed the cashbook and there is minimal income other than VAT refunds and bank interest, these are audited elsewhere in this report.

**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 £32,934 ( 24-25 £30,972).

I note that payroll is processed by an external company, Mulberry and Co. I checked the payment to the Clerk for December 2025. I was able to agree cashbook figure for net pay, as recorded on Scribe back to the Mulberry payroll instruction. Payslip had been authorised for payment by 2 councillors. HMRC and pension payment for was also agreed to payroll reports from Mulberry.

At the year-end audit I confirmed that box 4 on the accounting statements only contained staff costs, as required by regulations. (Salaries / HMRC / Nest pension).

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

**Final Audit**

Fixed assets per box 9 to the accounts were £ 125,682 (24-25 £125,682).

I have agreed the balance in the accounts back to the asset register which is recorded on Scribe. 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.

• 07958 990310

✉ [mike@aprilskies.co.uk](mailto:mike@aprilskies.co.uk)

Company Registration Number 14174016  
6 Uplands Road. Farnham GU9 8BP

No deletions in year, confirmed by clerk. I reviewed the cashbook, and there appeared to be no transactions that looked as if fixed assets had been purchased. New bollards were paid for in 25-26 but added to asset register in 24-25.

**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, and that, by reference to minutes of council meetings, the bank reconciliation is discussed regularly at Council meetings (bank reconciliation report included in agenda papers). I re-performed the bank reconciliation for October 2025. The reconciliation is reported directly from the Scribe system. I tested the following

- Confirmed balances back to bank statements
- Checked cashbook balances on the reconciliation to the accounting system
- Checked the reconciliation has been reviewed and this evidence properly reviewed by the Chairman.

The Council has an investment strategy in place, as required by statute. This was last reviewed at the Full Council meeting in October 2025.

**Final Audit**

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

Cash per box 8 to the accounts was £269,871 (24-25 £255,761)

I re-performed 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 and signed by a councillor, on the bank reconciliation and on bank statements.

**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.**

Satisfactory – Accounts have been produced on the receipts and payments basis, this is appropriate as income and expenditure at the Council is below £200k.

• 07958 990310

✉ [mike@aprilskies.co.uk](mailto:mike@aprilskies.co.uk)

Company Registration Number 14174016  
6 Uplands Road. Farnham GU9 8BP

The Council is able to account on the receipts and payments basis until the point where the threshold of £200K has been breached for three consecutive years. The table below confirms that the Council has not breached the £200k threshold for 3 years and therefore can continue to account on the receipts and payments basis.

	23-24	24-25
receipts	161067	97131
payments	111565	253347

### **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**

The requirements of the Transparency Code 2015 do not apply to this Council, as gross income and expenditure is below £200K. There is an archive of AGAR documentation as required by regulations, and other information such as budget and CIL reports are published. The AGAR documentation for 2023-24 has now been added to the website.

### **M - Arrangements for Inspection of Accounts**

External audit raised the following recommendation in the other matters section of the 24-25 audit certificate:

The inspection period for the exercise of electors' rights was set for 31 working days which is more than the mandatory 30 working days as set out in the Accounts and Audit Regulations 2015, Paragraph 14(1). Although this is considered to be a minor technical breach, given more than the standard amount of time was provided for, in future the council should ensure it provides the precise public inspection period. We would anticipate the council taking this into account when it completes Assertion 4 on its 2025/26 Annual Governance and Accountability Return.

The Council will need to mark assertion 4 on the Annual Governance Statement for 25-26 as "No" to avoid further censure from external audit.

### **N: Publication requirements 24-25 AGAR**

The complete AGAR and the external audit certificate are published on the accounts page of the Council website. The external audit certificate is dated 5 September. . The Conclusion of Audit certificate is also published, dated 9 September, before the statutory deadline of 30 September.

The external audit certificate was qualified, as the Council had not properly minuted decisions to make grants to the Village Hall and Recreation Ground Trusts – This was also reported in my 24-25 interim audit report.

Minor recommendations regarding the inspection period and a £1 rounding error were raised in the other matters section of the external audit report. Care should be taken not to repeat this in 25-26.

The external audit certificate was reported to the September meeting of Council (minute 389)

• 07958 990310

✉ [mike@aprilskies.co.uk](mailto:mike@aprilskies.co.uk)

Company Registration Number 14174016  
6 Uplands Road. Farnham GU9 8BP

**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. I sample checked the following:

- Website compliant with accessibility standards set out in the Practitioners' Guide
- Council has an IT Policy in place
- Council owns domain for email and website - kirdford-pc.gov.uk

The Council has provided evidence that it is compliant in these areas and can therefore mark assertion 10 as YES.

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

The Council asserts that the PC is not sole trustee for any charity.

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

## Appendix A – Recommendations

### Points Forward – Action Plan - Interim Audit

Matter Arising	Recommendation	Council Response
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.	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.	Actioned – see section o
AGAR publication on website	The AGAR documentation for 2023-24 does not appear to be complete, this should be updated before year end.	Clerk has now updated the website
External Audit recommendation regarding 24-25 inspection period	The Council will need to mark assertion 4 on the Annual Governance Statement for 25-26 as "No" to avoid further censure from external audit.	To be completed in AGS

• 07958 990310

✉ [mike@aprilskies.co.uk](mailto:mike@aprilskies.co.uk)

Company Registration Number 14174016

6 Uplands Road. Farnham GU9 8BP

**Appendix B**

**Internal Audit Control Objectives – Marked as not covered**

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

• 07958 990310

✉ [mike@aprilskies.co.uk](mailto:mike@aprilskies.co.uk)

Company Registration Number 14174016  
6 Uplands Road. Farnham GU9 8BP