

Shawbury Parish Council
Internal Audit Report year ended 31st March 2025.

I have undertaken the internal audit using the internal control objectives of Form 3 of the Annual Governance and Accountability Return 2024/25 and Report below.

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

The receipts and payments analysis book was properly kept. Total amounts of receipts and payments were agreed to the annual accounts. All cheques were accounted for and recorded.

- B. This Authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.

Payments were supported by invoices and approved at each council meeting. VAT was separated in the receipts and payments analysis book.

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

The Risk Assessment Documentation covers management, administration, equipment and sites for which the council is responsible and was reviewed and approved by the council.

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

The proposed Annual Budget was considered by the council in deciding that the annual precept requirement would be unchanged. Cumulative expenditure is reported against budget heads each month supplemented by mid year and year end reports. Funds are reserved for capital projects with a reserve in place to cover any unexpected expenditure.

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

Income consists of precept, VAT reclaim, bank interest, donations, allotment rent, grants, sponsorship and PCC burial fees. It is properly recorded in the receipts and payments analysis book and banked promptly. VAT is reclaimed promptly from HMRC.

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

Petty cash payments are claimed by the Clerk through his monthly expenses return and paid direct to other claimants by cheque through the usual payments procedure. VAT is properly accounted for. No cash is held or an imprest account used.

- G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals and PAYE & NI requirements were properly applied.

The Clerk/RFO is the only council employee and paid in accordance with national pay scales approved annually by the council. PAYE was correctly deducted and together with Employers National Insurance remitted to HMRC. Allowances are not payable to members.

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

The council's assets are listed in the supporting statement to the annual accounts, which is kept up to date.

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

A report on bank accounts' movements is made to every council meeting, with an end of year reconciliation statement. The annual financial year end closure procedures also reconciled bank accounts with receipts and payments which were recorded in the cash analysis book.

- J. Accounting statements prepared during the year were prepared on the correct accounting bases (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.

Accounts were prepared on a receipts and payments basis with an adjustment for VAT reclaim being paid in the next financial year and agreed with the cash book. There was a good audit trail. Debtors and creditors were not applicable.

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

The council is not responsible for any trust funds.

23rd May 2025

M.J. Sheehy ACMA, CGMA
Internal Auditor