

Annual Governance and Accountability Return 2024/25 Form 2

To be completed only by Local Councils, Internal Drainage Boards and other smaller authorities* where the higher of gross income or gross expenditure was £25,000 or less, that meet the qualifying criteria, and that wish to CERTIFY themselves as EXEMPT from a limited assurance review

Guidance notes on completing Form 2 of the Annual Governance and Accountability Return 2024/25

1. Every smaller authority in England where the higher of gross income or gross expenditure was £25,000 or less **must**, after the end of each financial year, complete Form 2 of the Annual Governance and Accountability Return in accordance with *Proper Practices*, unless the authority:
 - a) does not meet the qualifying criteria for exemption; or
 - b) does not wish to certify itself as exempt
2. Smaller authorities where the higher of all gross annual income or gross annual expenditure **does not exceed** £25,000 and that meet the qualifying criteria as set out in the Certificate of Exemption **are able to declare themselves exempt** from sending the completed Annual Governance and Accountability Return to the external auditor for a limited assurance review **provided** the authority **completes**:
 - a) The **Certificate of Exemption**, page 3 and returns a copy of it to the external auditor **either** by email **or** by post (not both) **no later than 30 June 2025**. Failure to do so will result in reminder letter(s) for which the Authority will be charged £40 +VAT for each letter; and
 - b) The **Annual Governance and Accountability Return (Form 2)** which is made up of:
 - c) **Annual Internal Audit Report (page 4)** must be completed by the authority's internal auditor.
 - d) **Section 1 – Annual Governance Statement (page 5)** must be completed and approved by the authority.
 - e) **Section 2 – Accounting Statements (page 6)** must be completed and approved by the authority. **NOTE: Authorities certifying themselves as exempt SHOULD NOT send the completed Annual Governance and Accountability Return to the external auditor.**
3. The authority **must** approve Section 1 Annual Governance Statement **before** approving Section 2 Accounting Statements and both **must** be approved and published on the authority website/webpage **before 1 July 2025**.

Publication Requirements

Smaller authorities **must** publish various documents on a publicly available website as required by the Accounts and Audit Regulations 2015, the Local Audit (Smaller Authorities) Regulations 2015 and the Transparency Code for Smaller Authorities. These include:

- **Certificate of Exemption**, page 3
- **Annual Internal Audit Report 2024/25**, page 4
- **Section 1 – Annual Governance Statement 2024/25**, page 5
- **Section 2 – Accounting Statements 2024/25**, page 6
- Analysis of variances
- Bank reconciliation
- Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.

Limited Assurance Review

Any smaller authority may request a limited assurance review. If so, the authority should not certify itself as exempt or complete the Certificate of Exemption. Instead it should complete Form 3 of the AGAR 2024/25 and return it to the external auditor together with the supporting documentation requested by the external auditor. The cost to the authority for the review will be **£210 +VAT**.

Provided that the authority certifies itself as exempt, and completes and publishes the documents listed under 'Publication Requirements', there is no requirement for the authority to have a review.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout, the words 'external auditor' have the same meaning as the words 'local auditor' in the Accounts and Audit Regulations 2015.

*For a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.

Guidance notes on completing Form 2 of the Annual Governance and Accountability Return (AGAR) 2024/25, Sections 1 and 2

- An authority that wishes to declare itself exempt from the requirement for a limited assurance review must do so at a meeting of the authority after 31 March 2025. It should not submit its Annual Governance and Accountability Return to the external auditor. However, as part of a more proportionate regime, the authority **must** comply with the requirements of the Transparency Code for Smaller Authorities.
- The Certificate of Exemption must be returned to the external auditor no later than **30 June 2025**. Reminder letters will incur a charge of £40 +VAT for each letter.
- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR and the Certificate of Exemption. Proper Practices are found in the *Practitioners' Guide** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- Make sure that the AGAR is complete (no highlighted boxes left empty), and is properly signed and dated. Any amendments must be approved by the authority and properly initialled.
- Use the checklist provided below to review the AGAR for completeness at the meeting at which it is signed off.
- **You must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chair, and provide relevant authority owned generic email addresses and telephone numbers.**
- The authority must publish numerical and narrative explanations for significant variances in the accounting statements on **page 6**. Guidance is provided in the *Practitioners' Guide** which may assist.
- Make sure that the accounting statements add up and the balance carried forward from the previous year (Box 7 of 2024) equals the balance brought forward in the current year (Box 1 of 2025).
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights of 30 consecutive working days which **must** include the first ten working days of July.
- The authority **must** publish, on the authority website/webpage, the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor **before 1 July 2025**.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes been completed?	✓	
	Have the dates set for the period for the exercise of public rights been published?	✓	
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?	✓	
Section 1	For any statement to which the response is 'no', is an explanation available for publication?	✓	
Section 2	Has the Responsible Financial Officer signed the accounting statements before presentation to the authority for approval?	✓	
	Has the authority's approval of the accounting statements been confirmed by the signature of the Chair of the approval meeting?	✓	
	Has an explanation of significant variations been published where required?	✓	
	Has the bank reconciliation as at 31 March 2025 been reconciled to Box 8?	✓	
	Is an explanation of any difference between Box 7 and Box 8 available, should a question be raised by a local elector and/or an interested party?	✓	
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? (<i>Local Councils only</i>)		

*Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices, can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

Certificate of Exemption – AGAR 2024/25 Form 2

To be completed by smaller authorities where the higher of gross income or gross expenditure did not exceed £25,000 in the year of account ended 31 March 2025, and that wish to certify themselves as exempt from a limited assurance review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015

There is no requirement to have a limited assurance review or to submit an Annual Governance and Accountability Return to the external auditor, **provided** that the authority has certified itself as exempt at a meeting of the authority after 31 March 2025 and a completed Certificate of Exemption is submitted no later than **30 June 2025** notifying the external auditor.

Stapleford Parish Council

certifies that during the financial year 2024/25, the higher of the authority's total gross income for the year or total gross annual expenditure, for the year did not exceed **£25,000**

Total annual gross income for the authority 2024/25: £7,500

Total annual gross expenditure for the authority 2024/25: £7,538

There are certain circumstances in which an authority will be **unable to certify itself as exempt**, so that a limited assurance review will still be required. If an authority is **unable to confirm the statements below then it cannot certify itself as exempt** and it **must** submit the completed Annual Governance and Accountability Return Form 3 to the external auditor to undertake a limited assurance review for which a fee of **£210 +VAT** will be payable.

By signing this **Certificate of Exemption** you are confirming that:

- The authority was in existence on 1st April 2021
- In relation to the preceding financial year (2023/24), the external auditor **has not**:
 - issued a public interest report in respect of the authority or any entity connected with it
 - made a statutory recommendation to the authority, relating to the authority or any entity connected with it
 - issued an advisory notice under paragraph 1(1) of Schedule 8 to the Local Audit and Accountability Act 2014 ("the Act"), and has not withdrawn the notice
 - commenced judicial review proceedings under section 31(1) of the Act
 - made an application under section 28(1) of the Act for a declaration that an item of account is unlawful, and the application has not been withdrawn nor has the court refused to make the declaration
- The court has not declared an item of account unlawful after a person made an appeal under section 28(3) of the Act.

If the above statements apply and the authority neither received gross income, nor incurred gross expenditure, exceeding £25,000, then the Certificate of Exemption can be signed and a copy submitted to the external auditor **either** by email **or** by post (not both).

The Annual Internal Audit Report, Annual Governance Statement, Accounting Statements, an analysis of variances and the bank reconciliation plus the information required by Regulation 15 (2), Accounts and Audit Regulations 2015 including the period for the exercise of public rights still need to be fully completed and, along with a copy of this certificate, published on the authority website/webpage* before 1 July 2025.

Signing this certificate confirms the authority will comply with the publication requirements.

Signed by the Responsible Financial Officer

Date

I confirm that this Certificate of Exemption was approved by this authority on this date:

Signed by Chair

Date

as recorded in minute reference:

Generic email address of Authority

staplefordpc@yahoo.com

Telephone number

07595039778

*Published web address

https://www.staplefordpc.co.uk/

ONLY this Certificate of Exemption should be returned EITHER by email OR by post (not both) as soon as possible after certification to your external auditor, but no later than 30 June 2025. Reminder letters for late submission will incur a charge of £40 + VAT.

Annual Internal Audit Report 2024/25

Stapleford Parish Council

<https://www.staplefordpc.co.uk>

During the financial year ended 31 March 2025, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2024/25 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.		✓	
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		✓	
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		✓	
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
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.		✓	
H. Asset and investments registers were complete and accurate and properly maintained.		✓	
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
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.	✓		
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. (If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")	✓		
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.		✓	
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 and Audit Regulations (during the 2024-25 AGAR period, were public rights in relation to the 2023-24 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).		✓	
N. The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR Page 1 Guidance Notes).		✓	
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

16/05/2025

Name of person who carried out the internal audit

Katie Eyre

Signature of person who carried out the internal audit

Katie Eyre

Date

16/05/2025

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

* See narrative Internal Audit report

Section 1 – Annual Governance Statement 2024/25

We acknowledge as the members of:

Stapleford Parish Council

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2025, that:

	Agreed		
	Yes	No	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.		✓	considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.		✓	disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			has met all of its responsibilities where as a body corporate it is a sole managing trustee of a local trust or trusts.

*For any statement to which the response is 'no', an explanation must be published

This Annual Governance Statement was approved at a meeting of the authority on:

19/6/2025

and recorded as minute reference:

AGAR

Signed by the Chair and Clerk of the meeting where approval was given:

Chair

J.A. ✓

Clerk

D. Boulton

Information required by the Transparency Code (not part of the Annual Governance Statement)

The authority website/webpage is up to date and the information required by the Transparency Code has been published.

Yes | No

<https://www.staplefordpc.co.uk/>

LOCALLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

Section 2 – Accounting Statements 2024/25 for

Stapleford Parish Council

	Year ending		Notes and guidance
	31 March 2024 £	31 March 2025 £	
1. Balances brought forward	15,990	16,792	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	9,500	7,500	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	6	4	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	3,000	3,415	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	5,704	4,123	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	16,792	16,758	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	16,792	16,758	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	13,960	13,960	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)				The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)				The figures in the accounting statements above exclude any Trust transactions.

I certify that for the year ended 31 March 2025 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

[Signature]

Date

19/06/2025

I confirm that these Accounting Statements were approved by this authority on this date:

19/06/2025

as recorded in minute reference:

AGAR REFERENCE

Signed by Chair of the meeting where the Accounting Statements were approved

[Signature]

Internal Audit Report

(To be read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return)

Name of council:	Stapleford Parish Council		
Name of Internal Auditor:	Katie Eyre	Date of report:	13/5/2025
Year ending:	31 March 2025	Date audit carried out:	01/05/2025

Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the council through its staff and management and not left for internal audit. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council in order to detect error or fraud. This report is based on the evidence made available to me and consequently the report is limited to those matters set out below.

The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.

To the Chairman of the Council:

Firstly, I would like to thank the clerk for her hard work in supplying the required information to me in an efficient and timely manner.

I firstly examined the publicly available information displayed on the council's website including the council's policies, procedures, agendas, minutes, financial and other records. I sought evidence that the previous year's internal audit report had been properly reported to and actioned by the Council. I then examined the council's arrangements for the management and control of its business in the areas of bookkeeping, due process (i.e., compliance with the proper practices as set out in the Practitioners' Guide), risk management, budget setting and monitoring, payroll, asset register, bank reconciliations, internal control, and year-end procedures. It should be noted that the scrutiny was of a sample number of documents and processes.

Where necessary, I requested and was provided with supplementary evidence to enable me to reach a conclusion regarding the enquiries I am required to make as set out in the Annual Internal Audit Report (AIAR) that forms part of the Annual Governance and Accountability Return (AGAR). This supplementary information was provided in the form of written and verbal answers to the questions raised together with scanned documents or sight of the original documents.

General

The clerk is currently not CiLCA (or other) qualified and therefore the council does not meet the general power of competence criteria.

On that basis SPC must ensure that they evidence the correct use, reporting and accounting procedures of all statutory 'powers', including s.137 ¹when undertaking any actions or expenditure.

SPC and their clerk should continue to embed the practises outlined in the policies they have adopted, and the knowledge from training the clerk has received should be implemented into their day-to-day council processes. This will ensure that they are more able to comply with the relevant legislation. This is an intrinsic part of their role as elected members (and officer) of a public body, accountable to their electorate and holding public monies.

There have been some improvements into the provision of agenda supporting papers with agenda packs being uploaded to the website to enable open and transparent public scrutiny.

The council should look to re-adopt the Model Financial Regulations and Standing Orders and only amend the processes not in 'bold' to reflect SPC's processes. The processes in 'bold' are statute and cannot be removed from the policies.

A. Appropriate accounting records have been kept throughout the Year.	YES
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The roll forward figures on the cash book were verified from the bank statement and previous years AGAR.

The banks position is reported to council regularly.

The cashbook reconciliation at year end is reflected in the year end bank statements supplied by the clerk.

The Council does not hold reserves, this is reviewed by the council and deemed not necessary. I would recommend that the council follow guidance on reserves held by council to account for any unexpected expenditure such as election costs. It is recommended that councils hold a contingency general reserve of councils non-negotiable running costs of between 3-12 months with smaller authorities holding closer to 12 months contingency.

B. The authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.	NO
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SPC now has online banking where the clerk and council members can set up online payments with two signatories needed to authorise payments.

The council at this stage still uses cheques as its main payment method.

Payments made are reported at council meetings.

Payments for approval should be reported more clearly to allow better transparency.

The Council does not reclaim VAT. The clerk is recommended to seek advice from HAPTC with regards of how to process VAT reclaims.

No debit cards are currently held.

Recommendation 2024/25

The model financial regulations currently adopted need to be reviewed urgently to be compliant with statute.

The standing orders currently adopted also need to be reviewed urgently as mentioned above and should reflect the same values and processes as the model financial regulations.

Please note that at the time of writing my report, HAPTC have recently released an update to the Financial Regulations in relation to procurement amendments.

SPC may wish to consider a debit card for the clerk to ensure that all opportunities to reclaim VAT are utilised.

The clerk should ensure that all processes outlined in their financial regulations are rigorously followed and reflect the Standing Orders once both have been re-adopted.

□

C. The authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	NO
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SPC currently do not hold risk assessments or Policies.

There is currently no system of internal controls in place.

Annual play area inspections are undertaken, however there is no indication that the contents of the reports are reviewed or whether any further instruction on the play area is required. This means that there is no evidence of the recommendations from the internal auditor from last year being reviewed by council. As stated in the Practitioners' Guide 4.25 this should inform the authority's response to assertions 2 & 6 in the Annual Governance Statement (AGAR Section 1).

The grounds maintenance contractor currently does not supply PL insurance or their own risk assessment to the council.

The IA report for 2023/24 was considered and reported on the website.

Appointment of auditor was not detailed on the minutes; however, one was assigned.

Recommendation 2024/25

The clerk should obtain all contractor's risk assessments and PL insurance to support their duties.

The Clerk should look to instruct contractors in line with Model Financial Regulations once adopted (obtaining multiple quotations or seeking tender).

The annual RoSPA report should be reviewed and evidenced at meetings, any requirements within the RoSPA report should be detailed in a plan to implement any actions. The council should also seek advice from its insurer to understand if more frequent inspections should be carried out to comply with the policy. Operational and routine inspections are recommended.

The council is yet to implement a system of internal controls or a risk management policy. The clerk should look to ensure these are followed once in place. And an annual review of its system of internal controls should be evidenced.

The appointment of the internal auditor should be considered by full council and evidenced in minutes.

D. The Precept or rates requirement resulted from an adequate budgetary process, progress against the budget was regularly monitored; and reserves are appropriate.	NO
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The precept received was equal to the sum listed in the minutes and detailed in the public record of precepted amounts.

The Council does not hold reserves or a reserves policy.

The budget does not include S137 amounts. The council currently does not use S137 for expenditure.

There is evidence in the spreadsheet examined that some guidance is followed showing a version of consideration of levels of income/expenditure prior to setting the precept.

The draft budget documents are not currently uploaded with the relevant meeting papers,

During the year bank accounts amounts were reviewed and recorded on the minutes of each meeting. It is not evidenced if a reconciliation has been made against the income/expenditure recorded and the banking statements signed by a council member as per statutory requirements.

Recommendations for 2024/25

SPC should ensure that the budget is fully considered in the prescribed format prior to setting the precept and this is recorded in minutes and that a detailed budget, be uploaded to the website going forward to enable full accessibility and transparency.

The underlying budget review and any significant variances document (or summary) should be uploaded to the website with the relevant meeting papers.

Bank reconciliation should be recorded and signed by a council member as per financial regulations

Note- ordinarily I would give reference to policy sections, however as the current Financial Regulations in place do not reflect the model policy, I am unable to reference these to make clear the section which reflects this provision.

E. Expected income was fully received based on correct prices, properly recorded, and promptly banked; and VAT appropriately accounted for.	YES
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The council does not receive any other income other than its precept and a minimal amount of bank interest.

SPC is not VAT registered

F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.	NA
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No petty cash held.

G. Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.	NO
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There is now an employment contract in place for the clerk.

The clerk confirmed that there are no councillor allowances paid.

I have advised the clerk to seek advice from their **county** association and HMRC regarding the employment status of the clerk. Currently the clerk is contracted on a permanent contract as self-employed.

According to guidance from HMRC's Employment Income Manual (EIM67300), a Parish Clerk is considered an **office holder**. This classification means that their income is treated as employment income, and PAYE (Pay as You Earn) must be operated by the Parish Council on the Clerk's earnings. HMRC explicitly states that a

Parish Clerk cannot be regarded as self-employed for tax or National Insurance purposes, even if the Clerk is paying their own contributions directly.

The nature of the role itself—as an office holder—makes the Clerk subject to employment income rules, regardless of the duration of their engagement or any self-employed arrangements. In all cases, the Parish Council must register as an employer and operate PAYE on the Clerk’s earnings for the duration of their appointment.

Furthermore, HMRC's Employment Status Manual (ESM2502) defines an office holder as someone who occupies a permanent position of authority or service, which exists independently of the person filling the role. The role of Parish Clerk meets this definition, as it involves substantial responsibilities and continuity within the council.

Recommendations for 2024/25

The Clerk should look to register SPC as an employer with HMRC and decide whether to outsource its payroll requirements or implement a system of internal controls.

The clerk should look to seek advice on its pension obligations and register with The Pension’s Regulator once HMRC employer status has been set up.

The council should look to offer the clerk a pension regardless of when the clerk wishes to have a pension. This is something she must indicate to opt out of after autoenrollment has been offered. council should ensure that it complies with its responsibility as an employer under the statutory autoenrollment obligations.

The Council should seek to employ the clerk formally and amend any contractual obligations required and evidence this in minutes once done so.

H. Asset and investment registers were complete and accurate and properly maintained.	NO
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The Current Asset Register is inadequate and does not reflect the amounts shown on the AGAR 2024/25

The clerk is currently using previous years asset figures without having verified them. The clerk is working with Cllrs to confirm if the historic information is correct.

Recommendation 2024/25

Council should look to carry out a survey of its parish to ascertain what it owns and rebuild its asset register in line with The Practitioners Guide 2025 as a matter of urgency.

The Clerk should seek knowledge from previous clerks and look at the council’s deeds to see what is included in the transfer of land.

The asset register should be adjusted accordingly and restated in the AGAR figures once this information has been attained.

Periodic bank reconciliations were carried out throughout the year.	YES
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Bank reconciliations are carried out; however, they are not reported.

There needs to be independent scrutiny of the bank reconciliation during the year in line with the financial regulations.

Recommendations for 2023/24 actioned

Independent scrutiny of the bank reconciliation should take place in line with the financial regulations and recorded in minutes

J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.	YES
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Excel spreadsheets are used by SPC.

The clerk scrutinises all invoices prior to payment. For the sample checks undertaken during the audit process the relevant invoices were readily available for verification.

The grounds maintenance invoices should be more detailed as to who the invoice is to and what the amount is to be paid against to allow better accuracy of payments. The Clerk should seek to ensure that appropriate level of detail is given on its invoices.

Invoices are not signed at meetings. There is no evidence that these are presented.

Evidence that the cashbook is presented to the council is not available.

I have seen that the clerk has rebuilt her cashbook based on the bank statement figures and has reworked her AGAR figures to reflect this.

The clerk is reporting correctly in the receipts and payments method.

Recommendations 2024/25

The clerk should present and sign invoices at meetings in line with the financial regulations.

The Clerk should evidence that the cashbook has been presented at meetings.

K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.	YES
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SPC declared itself exempt appropriately for 2023-24.

Recommendation 2024-25

I recommend that each year that the council finds itself exempt, the checklist provided within [Transparency Code for Smaller Authorities](#) is complied with to ensure that correct information is shared on its website.

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	NO
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Transparency has continued to improve throughout the year. Once the recommendations in other sections of this report are in place, the clerk should be in good stead to implement further publication requirements outlined within statute.

Below are links to the statutes that SPC are governed by in relation to publication.

[Transparency Code for Smaller Authorities](#)
[The Accounts and Audit Regulations 2015 \(legislation.gov.uk\)](#)
[Freedom of Information Act 2000 \(legislation.gov.uk\)](#)
[Model Publication Scheme for Parish Councils](#)

M. The authority has, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit regulations.	NO
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There is evidence that the exercise of public rights has been published, however it is not evidenced in agenda or minutes that they were considered.

Recommendations 2024/25

Ensure public rights dates are recorded and considered by council before they are set and published.

N. The authority complied with the publication requirements for the prior year AGAR.	NO
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The statutory disclosure/publication requirements are detailed on the front of the AGAR form. The council has met some of these requirements. I am happy to accept the public rights notice has been correctly displayed on the noticeboard although I have not evidenced this.

As per [Transparency Code for Smaller Authorities](#) council must comply with all of its publication requirements for smaller authorities as set out in law.

O. Trust funds (including charitable) - the Council has met its responsibilities as a trustee.	NA
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SPC is not a trustee as far as the clerk is aware, therefore this area was not covered.

Although not covered by this report it is also important to note that declarations of acceptance to office should be made using a wet signature and the Chairman should look to do this annually (and Vice-Chairman if there is one).

This concludes my narrative report to support the AIAR and please do not hesitate to contact me should you require any further information or clarity in line with the comments made.

I would like to thank Danielle for her assistance in enabling me to conduct my review. With the hard work of Danielle and the support of SPC in implementing my recommendations I am confident that SPC will reach full compliancy throughout this year. Please do not hesitate to seek advice where required from HAPTC and other member associations

I have attached your signed annual internal auditor report.

Yours sincerely,



Katie Eyre
Hertfordshire Internal Audit Service
iaskatieeyre@hotmail.com

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2024)*. It is a guide to the accounting practices to be followed by local councils and it sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from: [Practitioners' Guide 2024](#)

Annual Internal Audit Report 2024/25

Stapleford Parish Council

ENTER PUBLIC <https://www.staplefordpc.co.uk> PAGE ADDRESS

During the financial year ended 31 March 2025, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2024/25 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.		✓	
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		✓	
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		✓	
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			✓
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.		✓	
H. Asset and investments registers were complete and accurate and properly maintained.		✓	
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
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.	✓		
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. (If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")	✓		
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.		✓	
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 and Audit Regulations (during the 2024-25 AGAR period, were public rights in relation to the 2023-24 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).		✓	
N. The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR Page 1 Guidance Notes).		✓	
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

16/05/2025

DD/MM/YYYY

DD/MM/YYYY

Name of person who carried out the internal audit

Katie Eyre

NAME OF INTERNAL AUDITOR

Signature of person who carried out the internal audit

Katie Eyre

SIGNATURE REQUIRED

Date

16/05/2025

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

* See narrative Internal Audit report