

Emma Payne
Stotfold Town Council
The Greenacre Centre
Valerian Way
Stotfold
Hitchin
Herts SG5 4HG

6th June 2025

Dear Emma,

Stotfold Town Council End of Year Audit June 2025

Parish & Town Auditing Services have been appointed to undertake the internal audit for Stotfold Town Council. The End of Year audit was completed on 6th June 2025.

I can confirm that I am independent of the Parish Council.

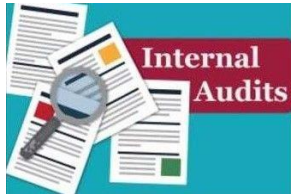
As stated in the Letter of Engagement letter, the scope of our work is limited to completing the audit testing and enquiries we deem necessary to complete Section 4 of the Annual Report for Local Councils in England. We do not provide assurance over or accept responsibility for areas of work not included 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. This will be undertaken by the Council's appointed External Auditor.

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 controls are included in the following report.

Thank you for all the information you have provided. I would be grateful if you could present this report at the next available meeting of Full Council.

Yours sincerely,

Paul Russell, Internal Auditor



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

The Council maintains its financial records using the Rialtas Omega Accounting system.

The internal audit has confirmed that income and expenditure balances to the cashbook and is reconciled to the bank statements on a monthly basis. During the review it has been confirmed that there is a clear audit trail from the accounts to supporting documentation such as invoices.

The Governance & Resources Committee and Full Council are provided with monthly financial reports including payments for approval, bank reconciliations and budget monitoring reports. These are minuted and signed off.

The opening balances in the cashbook agreed back to the 2023/24 accounts.

A sample of invoices have been reviewed against the accounts for payment during the financial year. No material differences were identified.

The accuracy of the year-end bank reconciliation details has been verified and accurate disclosure of the combined cash and bank balances have been stated in the AGAR, section 2, line 8. (£2,663,262)

The Council has balances over £100,000 and has an Investment Policy in place.

The Council has met this control objective.

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

Financial Regulations are based on the latest Model produced by NALC. The Procurement Act 2023 has now been enacted and new limits are now in place. This has amended the various thresholds that were in place prior to leaving the EU.

Please note that from 24th February 2025, both above and below threshold notices for new UK procurements will need to be published on Find a Tender: [Find a Tender](#)

Standing Orders are based on a recent model produced by NALC. Limits between the two documents match and both are up to date.

All other payments under Box 6 of the AGAR has increased from £571,014 to £703,170. An explanation of variance has been provided.

All invoices for payment are presented to the Full Council for approval/ratification. Reports are provided and published on the Council's website as part of the agenda supporting papers.

A sample test has been undertaken during the year and the following is confirmed:

- Payment agreed to the invoice.
- A sample of Payments have been checked against the bank statements to verify accuracy.
- Expenditure is appropriate.

The Council operates 3 credit cards. The credit limit across all 3 cards is £5,000 and this has been reviewed by Council. The 3 cards of credit limits of £3,000, £1,500 and £500 respectively.

The Council is registered for VAT and submits its VAT returns to HMRC on a quarterly basis. The VAT returns for all four quarters have been reviewed. The Quarter 4 claim of £31,953.14 has been submitted.

Creditors at year end amounted to £5,445.78 of which £1,698.71 were trade creditors and £1,420.57 was related to pensions.

The Council has met the requirements of this control objective.

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

The Council has a Risk Register in place and this has been reviewed by the Governance & Resources Committee and adopted by Full Council.

The Council is insured with Zurich on a standard local council package for employer liability and public liability. Adequate cover is provided and the policy was in date at time of audit. The Council has a number of properties and it is suggested that these are revalued on a regular basis to ensure that the insurance cover to rebuild remains adequate.

The Council has met this control objective.

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

Council maintains its accounts on the Rialtas Omega Accounting software.

Council had initial balances of £2,663,262 at the beginning of the year and these have reduced slightly to £2,632,725.

End of year bank balances are as follows:

| ACCOUNT | AMOUNT |
|-----------------------------|---------------|
| Unity Trust current account | £458,986.99 |
| Barclays Imprest account | £8,039.34 |
| Unity Trust Deposit account | £1,081,700.32 |
| CCLA | 1,044,765.46 |
| Petty Cash | £20.69 |

| | |
|----------------|---------------------|
| Sum Up account | £0.00 |
| Total | 2,593,512.80 |

Noted that the Barclays Business Premium accounts have now been closed with the final statements provided.

The Council has Earmarked Reserves in place. Movements are reviewed and minuted. End of year allocations are as follows:

| ACCOUNT | AMOUNT |
|-----------------------------------|-------------------|
| Earmarked Reserves Year End 24/25 | £ 2,359,895 |
| General Reserves | £272,830 |
| Total | £2,632,725 |

The precept for 2024/25 was approved at the Full Council meeting on 31st January 2024 (Minute 212/24.2). A precept of £913,482 was set.

The 2025/26 precept of £951,481 was approved under minute 349.1/24.c on 4th December 2024

Budget Monitoring reports are presented to both Full Council and the Governance & Resources Committee. These are generated through the Rialtas Omega Accounting software. All reports are uploaded onto the website for transparency as part of the supporting information attached to the agenda.

The Council has met this control objective.

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

Precept as stated in box 2 is £913,482. This has been agreed to third party documentation provided by central government.

Income per box 3 to the accounts was £195,741, an increase from income received in 2023/24 of £168,829. The main increase is from interest on balances.

A sample has been tested during the year from the cashbook. The transactions were selected randomly and included items from each month of the 2024/25 financial year. No material differences were identified.

The Council is responsible for two allotment sites which are publicised on the website. Information available includes an application form, an allotment handbook and fees and charges. An allotment register is maintained.

The Council is responsible for a cemetery. A register of burials is maintained and there is information available via the website including a search function. The Council has a hall available for hire and details can be found on the website along with fees and charges.

Debtors at year end are as follows:

| Item | Amount |
|---------------------|-------------------|
| Other Debtors | £1,498.07 |
| Trade Debtors | £7,502.85 |
| VAT Control account | £31,953.14 |
| Prepayments | £3,704.00 |
| | £44,658.06 |

The Council has met this control objective.

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

The Council operates one petty cash account. End of year balance is £20.69. The account is operated through the financial software and VAT is claimed where appropriate.

The Council has met this control 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.

Staff costs per box 4 to the accounts were £420,391 compared to the previous year of £306,087. It has been confirmed that the amount stated in Box 4 relates only to staff salaries.

A sample of payroll has been reviewed during the year. It has been verified that gross pay was calculated correctly and all payments to HMRC have been submitted.

Councillors do not receive allowance.

Payroll is carried out inhouse. Reports are generated by the software.

The Council has met this control objective.

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

The asset register has been reviewed and updated to include purchases during the year. The Fixed Assets box 9 stated £950,113 for 2024/25. The asset register meets current requirements. Adequate insurance cover is in place for the Council's assets.

The Council currently has three outstanding loans as follows:

| Loan | Amount Outstanding | End Date |
|----------|--------------------|-------------|
| PW483097 | £795.08 | 20-Jul-2025 |
| PW483797 | £7,066.63 | 20-Jan-2026 |
| PW490888 | £32,222.24 | 20-Jul-2030 |
| | £40,083.95 | |

The total outstanding debt is £40,083.95. This is correct on the AGAR and has been checked against third party documentation.

The Council has met this control objective.

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

All the Bank Accounts are reconciled on a monthly basis and signed off by Members.

The Council has met this control objective.

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.

Stotfold Town Council prepares its annual accounts on an income and expenditure basis as required as it has a turnover of more than £200,000 per annum

The Council maintains a debtors and creditors list. Debts are written off by Council.

End of year Debtors amount to £7,502.85.

End of year Creditors amount to £1,698.71.

Detailed breakdowns of both debtors and creditors have been reviewed.

The Council has met this control objective.

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”).

The Council was subject to a limited assurance review. **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

Smaller authorities should publish:

- All items of expenditure above £500 (published);
- End of year accounts (published)
- Annual governance statement (published)
- Internal audit report (published)
- List of councillor or member responsibilities (published)
- Details of public land and building assets (published)
- Minutes, agendas and meeting papers of formal meetings (published)

Most of the information is published on the Finance page.

The Council has met this control 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 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).

The Council published Sections 1 & 2 of the AGAR and the internal audit report. The public notice ran from 27th June to 7th August 2024 and meets the 30 working days requirement including the first 10 days of July. This was included in the minutes.

Note that the link on the website for the Public Notice is corrupted and requires a sign in to SharePoint. Please correct.

The Council has met this control objective.

N: The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR Page 1 Guidance Notes)

The Council has published AGAR documentation from 2013/14 onwards and meets the 5 year publication requirement.

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2024 authorities must publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- Section 1 - Annual Governance Statement 2023/24, approved and signed
- Section 2 - Accounting Statements 2023/24, approved and signed

Not later than 30 September 2024 authorities must publish:

- Notice of conclusion of audit
- Section 3 - External Auditor Report and Certificate
- Sections 1 and 2 of AGAR including any amendments as a result of the limited assurance review.

All the above items have been published on the website during the year.

The Council has met this control objective.

O – (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.

The Council is not a sole trustee. **Not covered.**