

Annual Internal Audit Report 2024/25

Peterstow Parish Council

www.peterstowparishcouncil.org.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

22/04/2025 23/04/2025

Name of person who carried out the internal audit

HALC Audit Services

Signature of person who carried out the internal audit

HALC Audit Services

Date

23/04/2025

*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).

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.

Peterstow 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: £20,648 R AMOUNT £00,000

Total annual gross expenditure for the authority 2024/25: £22,867 R AMOUNT £00,000

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

SIGNATURE REQUIRED

14/5/25

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

14/5/25

Signed by Chair

Date

SIGNATURE REQUIRED

14/05/2025

as recorded in minute reference:

MINUTE REFERENCE

10-5

Generic email address of Authority

clerk@peterstowparishcouncil.org.uk GENERIC EMAIL ADDRESS

Telephone number

07812084652

*Published web address

www.peterstowparishcouncil.org.uk AVAILABLE WEBSITE/WEBPAGE ADDRESS

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.

Section 2 – Accounting Statements 2024/25 for

Peterstow Parish Council

	Year ending		Notes and guidance
	31 March 2024 £	31 March 2025 £	
1. Balances brought forward	12,954	15,448	<i>Please round all figures to nearest £1. Do not leave any boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records.</i> <i>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.</i>
2. (+) Precept or Rates and Levies	15,200	17,000	<i>Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.</i>
3. (+) Total other receipts	5,142	3,648	<i>Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.</i>
4. (-) Staff costs	5,121	8,269	<i>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.</i>
5. (-) Loan interest/capital repayments	0	0	<i>Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).</i>
6. (-) All other payments	12,727	14,598	<i>Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).</i>
7. (=) Balances carried forward	15,448	13,229	<i>Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).</i>
8. Total value of cash and short term investments	15,448	13,229	<i>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.</i>
9. Total fixed assets plus long term investments and assets	19,078	19,728	<i>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.</i>
10. Total borrowings	0	0	<i>The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).</i>

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

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] **SIGNATURE REQUIRED**

Date

14/5/25

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

14/05/2025

as recorded in minute reference:

MIN 10.4 REFERENCE

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

[Signature] **SIGNATURE REQUIRED**

Section 1 – Annual Governance Statement 2024/25

We acknowledge as the members of:

Peterstow 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' means that this authority:
	Yes	No	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	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.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/> 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:

14/05/2025

and recorded as minute reference:

MINUTE REFERENCE 10.3

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

Chair

[Signature]

Clerk

[Signature]

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
<input checked="" type="checkbox"/>	<input type="checkbox"/>

www.peterstowparishcouncil.org.uk AVAILABLE WEBSITE/WEBPAGE ADDRESS

Herefordshire Association of Local Councils (HALC)

Internal Audit Service

INTERNAL AUDIT REPORT

Peterstow Parish Council 2024/25

1. Introduction

Herefordshire Association of Local Councils (HALC) carried out an end of year Internal audit for the year ending 31st March 2025. It should be noted that whilst there are still some remaining recommendations to action from 2023/24, there have been continued improvements in the financial and procedural management of this Parish Council.

2. 2023/24 Internal Audit recommendations?

Number	Detail	Actioned
1	The Insurance Schedule should be aligned with the Asset Register, which will ensure that there is adequate cover for assets.	Yes
2	The Parish Council should be considering Budget Monitoring Reports in line with its Financial Regulations. The budget, when approved, should be clearly within the minutes or added as an appendix.	Yes in part
3	The Parish Council should adopt a Reserve Policy and review its reserves at least annually.	Yes
4	Bank Reconciliations should be reported to the Parish Council in line with its Financial Regulations, and there should be independent sign off by a Councillor.	Yes in part

3. Findings of the Audit

	Scope	Observation	Pass	Rec
3.A	Appropriate accounting records have been properly kept throughout the financial year		Yes	
3.B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.		Yes	

	Scope	Observation	Pass	Rec
3.C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	It may be prudent to add the following risks this year for consideration – cyber threats and reputational risk	Yes	1
3.D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Although the budget is clearly discussed – the report needs adding as appendix or putting within the minutes. Likewise with on-going budget reports – they need adding as appendices to the minutes	Yes	2
3.E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.		Yes	
3.F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.		N/A	
3.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	
3.H	Asset and investments registers were complete and accurate and properly maintained.		Yes	
3.I	Periodic and year-end bank account reconciliations were properly carried out.	Again these need adding as an appendix to the minutes. Independent scrutiny on a quarterly basis needs putting in place still	Yes	3
3.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.		Yes	

	Scope	Observation	Pass	Rec
3.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. <i>(If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")</i>		Yes	
3.L	The Authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with legislation	The finance report – or list of all payments over £100 need adding to the website. If these reports are included as appendices this issue will be resolved.	No	4
3.M	In the year covered by this AGAR the authority correctly provided 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)		No	5
3.N	The authority has complied with the publication requirements for 2023/24 AGAR		No	5
3.O	Trust funds(including charitable) The council met its responsibility as a trustee		N/A	
3.P	Annual Return Complete		Yes	

4. Recommendations

- 4.1 Revisit risks to the Council including cyber and reputational
- 4.2 Financial documents discussed in meetings such as the budget and budget monitoring reports need to be included in the minutes or added as an appendix.
- 4.3 Bank reconciliations need adding as appendices to the minutes. Quarterly independent scrutiny still needs putting in place.
- 4.4 All payments over £100 need to be on the website – if finance reports were added as an appendix as recommended this would cover this.
- 4.5 The Public Rights Notice and summary needs to be put on the website.

5. Annual Return- Internal Control Objective

	Objective	Yes	No	Not Covered	Rec No
A	Appropriate accounting records have been properly kept throughout the financial year	X			
B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.	X			
C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	X			1
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	X			2
E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	X			
F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.	N/A			
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.	X			
H	Asset and investments registers were complete and accurate and properly maintained.	X			
I	Periodic and year-end bank account reconciliations were properly carried out.	X			3
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.	X			
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. <i>(If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")</i>	X			
L	The Authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with legislation	X			
M	In the year covered by this AGAR the authority correctly provided 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)		X		4
N	The authority has complied with the publication requirements for 2023/24 AGAR		X		5
O	Trust funds (including charitable) The council met its responsibility as a trustee	N/a			

HALC Internal Audit Services - 23rd April 2025

ASSETS REGISTER

AT 31/03/2024

VALUATION AT COST INCL. VAT (HALC ADVICE)

Asset	Quantity	Purchase Date	PV	Cost Price	Condition	Responsibility	Location	Notes
Bus shelter	1			£3,537	Good			PN
War memorial	1			£3,500	Good		Peterstow Common.	PN
Seats	2		1	£750	40yr life		On Common	PN
Noticeboard	1	25-Sep-07		£408	Fair		Peterstow village shop.	PN
Projector (Community)	1			£150				PN
Hp laptop & software	1	04-May-16	2	£395	Fair	Claire Hall	2 Swaledale Road, HR2 9JH	PH
Speed Indicator Device	1	04-Aug-17	3	£2,500	Good		A49	PN
Grit bins	7			£721	Good/Fair		Various	PN
Dog bins	5			£620	Good		Various	PN
Grit spreader	1	07-Nov-18	4	£219	Good		The Nook, Peterstow, Ross-on-Wye. HR9 6LD.	PN
Tommy' memorial figure	1	05-Mar-21	5	£200	New		Beside War Memorial, Peterstow Common.	PH
Bench	1	03-Jul-19	6	£732			in field on Peterstow Loop walk	PH
Memorial bench	1	25-Mar-14		£299	Good		Common outside East Barn	ML
Honda WB20 Water Pump	1	23-Oct-20	7	£350	New	Martin Lown	The Nook, Peterstow, Ross-on-Wye. HR9 6LD.	PH
Water pump hoses	2	23-Oct-20	7	£94	New	Martin Lown	The Nook, Peterstow, Ross-on-Wye. HR9 6LD.	PH
FloodSax Box of 20	2	19-Oct-20	8	£312	New	Martin Lown	The Nook, Peterstow, Ross-on-Wye. HR9 6LD.	PH
Snow shovel	6	20-Oct-20	9	£71	New	Martin Lown	The Nook, Peterstow, Ross-on-Wye. HR9 6LD.	PH
Petrol can 10 litre	2	24-Nov-21	10	£20	New	Martin Lown	The Nook, Peterstow, Ross-on-Wye. HR9 6LD.	ML
Speed Indicator Device	1	01-May-21		£4,200	New			
Shop Notice Board	1	01-May-24		£650	New		Peterstow Village Shop	PN
TOTAL VALUE				£19,728				

Explanation of variances – pro forma

Name of smaller authority: Peterstow Parish Council

County area (local councils and parish meetings only): _____

Please provide **full explanations, including numerical values**, for the following:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- a breakdown of approved reserves if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

Section 2	2023/24 £	2024/25 £	Variance £	Variance %	Detailed explanation of variance (with amounts £) over 15% and £200
Box 2 <i>Precept or Rates and Levies</i>	15,200	17,000	1,800	11.8%	When taking over as Clerk the Precept was increased as reserves were low and the Council decided to address this by increasing the precept.
Box 3 <i>Total other receipts</i>	5,142	3,648	1,494	-29%	Lengthsman was unable to complete a large proportion of grant work this year due to the very wet weather
Box 4 <i>Staff costs</i>	5,121	8,269	3,148	61%	To note the nationally agreed pay recommendation backdated to April 2023 in line with the Clerk's Contract. Also to backdate HMRC payments and a missed HMRC payment in the tax year 23/24
Box 5 <i>Loan interest/ capital repayments</i>	0	0	0	0	
Box 6 <i>All other payments</i>	12,727	14,598	1,871	15%	Repair work was undertaken for both SIDS within the village
Box 9 <i>Total fixed assets & long term investment s & assets</i>	19,078	19,728	0	3%	New village noticeboard
Box 10 <i>Total borrowings</i>	0	0	0	0	
Explanation for 'high' reserves	N/A				

Peterstow Parish Council

Bank Reconciliation – End of Financial Year 2024 - 2025

Opening balance – 1 st April 2024 from bank statement (Current)	£ 15,448.53
Less unrec chqs 2023-24	£ 587.76
Total Balance	£ 14,860.77
Plus, Receipts from financial year 1 st April 2024 – 31 st March 2025	£ 20,648.19
Less Payments from financial year 1 st April 2024 – 31 st March 2025	£ 22,279.65
Less 2024-2025 unreconciled cheques	£ 0.00
No petty cash held	
	£ 13,229.31
Bank Balance on 31 st March 2024	£ 13,229.31
Less unreconciled cheques 2024-25	<u>£ 0.00</u>
	£ 13,229.31

Prepared by Claire Hall – Clerk and RFO of Parish Council