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MARSTON PARISH COUNCIL

9th May 2025

Our Ref CJS/MAR001

Annual Internal Audit Report 2024/25

Additional Notes

This is the first full year that the current Clerk has had responsibility for the affairs of the Parish Council. It appears from my Review, that the issues raised in previous years have all been addressed during the period and I would like to place on record my thanks to the Clerk, for addressing and rectifying the issues raised previously.

This has led to my 2024/25 Report containing affirmative responses, where previously in the sections required, they were negative. A summary is set out below for information, with 2024/25 and 2023/24 points raised for information:

With regard to the answer "Yes" for Question B (previously "No"), in my view, the following comments should be considered:

2025 – Payments subject to review, were supported by appropriate documentation and VAT was appropriately identified.

2024 - During the period in question every payment could not be traced to a supporting invoice and there was no evidence of VAT being appropriately accounted for. However, the Board do approve payments at each monthly Board meeting and upon discussion with the "New Clerk" the VAT position will be rectified.

With regard to the answer "Yes" for Question E (previously "No"), in my view, the following comments should be considered:

2025 – Income subject to review, was supported by appropriate documentation and VAT was appropriately identified.

2024 - During the period in question every source of income could not be traced to a supporting invoice and there was no evidence of VAT being appropriately accounted for. However, all sources of income are discussed at Board level and upon discussion with the "New Clerk" the VAT position will be rectified.

MAONATS

With regard to the answer "Yes" for Question F (previously "No"), in my view, the following comments should be considered:

2025 – Petty Cash payments subject to review, were supported by appropriate documentation and VAT was appropriately identified.

2024 - During the period there were a number of transactions that had an inflow/outflow of cash. Net receipts are then banked into the Parish Council bank account. Not every transaction could be traced back to supporting documentation. This net level of income is relatively low during the period. However, I believe that systems should be refined and documented and supporting documentation retained if these sources of income are to continue.

With regard to the answer "Yes" for Question G (previously "No"), in my view, the following comments should be considered:

2025 – A payroll system has been in operation for the year and payments made are correctly calculated with the correct PAYE/NI applied as appropriate.

2024 - The 2023 AGAR Form 3, contained a supplementary note regarding the fact that The Parish Council had not set up and registered a payroll scheme formally with HM Revenue and Customs.

Following my review last year, it has come to my attention that the External Auditors, PKF Littlejohn LLP carried out a review in 2023 and came to a similar conclusion.

At my visit last year, the "Old Clerk" and I discussed again the option of using a 3rd party payroll bureau, to outsource the set up and ongoing compliance of a payroll scheme for The Parish Council. The "Old Clerk" confirmed to me, that this was an area that would be under review again.

Subsequent to that meeting, the "Old Clerk" has been replaced and following discussions with the "New Clerk", this position I believe has now been rectified. However, this is obviously too late to cover the year in question. This is progress over the previous position and will allow full transparency and maintain good governance over public funds going forward.

Yours sincerely,



C.J. SWALLOW FCA

Director – C J Swallow JP BSc (Econ) FCA
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Marston Parish Council

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.			

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

09/05/2025

Name of person who carried out the internal audit

CHRISTOPHER JOHN SWALLOW

Signature of person who carried out the internal audit



Date

09/05/2025

***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).**