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My Ref: PB/S&S03

Mrs Claire Baller
Clerk to the Council
Salfords & Sidlow Parish Council
Salfords Village Hall
5 Honeycrook Lane
Salfords
RH1 5DG

23rd April, 2026

Dear Claire,

Re: Salfords & Sidlow Parish Council
Internal Audit Year Ended 31st March 2026

Once again it is a pleasure to audit a council demonstrating a continuing high standard in all areas.

Here is my report for your kind attention and presentation to the Council. The audit was conducted in accordance with current practices and guidelines and testing was risk based.

This report is presented in the same order as the assertions on the internal auditor report within the published AGAR. The start of each section details the nature of the assertion to be verified Whilst not all transactions are tested, samples have where appropriate covered the entire year to date.

The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts. The internal audit reports should therefore be made available to all members to support and inform them in considering the authority's approval of the annual governance statement.

Summary Findings

Review of the Financial Regulations & Standing Orders

Review of the Risk Assessments

Review of the Budgeting Process

Proper Bookkeeping – review of the use of the accounts package.

Review of salaries

Review of fixed asset register

Review of annual accounts & AGAR

Review of bank reconciliation

Review of income

Review of IT systems, GDPR and all data management

Once again I am happy to state that the systems and internal procedures at Salfords & Sidlow Parish Council reflect a high standard of good practice . The council continues to take governance, policies and procedures very seriously and that overall the systems and procedures you have in place are fit for purpose.

I note that the banked funds are spread over accounts in a manner that allows funds to be adequately protected under the FSCS scheme.

Review of information for external auditor

The annual accounts and AGAR are ready to be signed off by council and the external auditor and that AGAR represents a true and fair record of the financial transaction of the council for the year ended 31st March 2025.

Therefore I have signed off the Internal Audit Report Page 3 in Form 3 of the AGAR.

For the sake of good order I repeat the comments from 2023/24 as they are equally applicable to the current audit.

A. BOOKS OF ACCOUNT

The Council continues to use excel as a day to day accounting package, the system is used regularly to report and record the financial transactions of the Council. The processes for reviewing cashbooks are sound and the clerk produces a cashbook control, bank reconciliation and income expenditure summary. The system is transparent and a review of the cashbook shows that all data fields are being entered. The council owns and operates the village hall and operates a transparent and efficient division of the accounts. The inherent risk of error or misstatement is low, and the controls of the council can be relied upon and as such substantive testing of individual transactions is not required.

I am of the opinion that the control assertion of "Appropriate accounting records have been properly kept throughout the financial year" has been met.

B. FINANCIAL REGULATIONS, GOVERNANCE & PAYMENTS

Financial regulations and standing orders are based on the NALC model and have been correctly reviewed in May 2025 and properly recorded. These regulations contain provisions for the approval of spending, setting of budgets, reconciliation of the bank and reporting to council. These have been properly taken to council for review in May 2025.

I am satisfied that the council continues to follow its adopted Financial Regulations.

The system noted above details internal review takes place and I am under no doubt that council properly approves expenditure.

I am of the opinion that the control assertion "This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for", has been met.

C. RISK MANAGEMENT & INSURANCE

The Council undertakes a full annual risk assessment that covers operational and financial risks, this was last renewed at council in May 2025.

The council is properly insured with Clear & Aviva on a standard local authority package. The Council reviews its insurance requirements as part of the renewal process and it is noted the council has a term agreement on premiums to September 2026.

I am of the opinion that "This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these."

D. BUDGET, PRECEPT & RESERVES

The council has £75,343- of allocated reserves and £12,194- of general reserves. The general reserve balance is within the recommended range.

The control objective of "The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.", has been met.

E. INCOME

The council income remains principally from the Precept however it has been supplemented in the past year by grants and CIL payments from district and county councils. These are not predicted to be necessarily available in the coming year.

I am of the opinion that the control objective of "Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.", has been met.

F. PETTY CASH

No petty cash

G. PAYROLL

I reviewed the total figure being included within box 4 (staff costs) on the Annual Governance and Accountability Return (AGAR) and confirmed that this includes only salary payments, HMRC payments and pension contributions.

I am of the opinion that salaries are correctly stated on the AGAR and that the control object of "Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.", has been met.

H. ASSETS AND INVESTMENTS

The Council has a fixed asset register in place. Assets are correctly stated at historic or proxy cost. The Council does not hold any long term investments.

The fixed asset register has been maintained in a spreadsheet format and was up to date with all relevant assets as at the audit date. The status of the village hall which is located on leased land is properly stated.

I am of the opinion that the control objective of "Asset and investments registers were complete and accurate and properly maintained.", has been met.

I. BANK & CASH

At the year-end date the council had a reconciled bank position. I have reviewed the reconciliation and was able to confirm the balances to the bank statements and found no errors.

I am of the opinion that bank and cash balances are properly shown on the AGAR and that the control objective of "Periodic and year-end bank account reconciliations were properly carried out.", has been met.

J. YEAR END ACCOUNTS

The year-end accounts have been correctly prepared on the receipts and payments basis with no requirement for the box 7 & 8 reconciliation.

The variance analysis is required because there exists a variance greater than 15% and £200. This has been prepared on a summary table basis. The explanation of the variances (income and expenditure) is accurate.

I am of the opinion the AGAR will be ready for submission to the external auditor within statutory time scales and that the control objective of "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.", has been met.

K. CERTIFICATE of EXEMPTION

The council does not meet the criteria to certify itself exempt as it exceeded the income and expenditure limits and this test does not apply.

L. PUBLICATION of INFORMATION

The Council has demonstrated good practice and complied with the requirements of the Transparency Code.

M. EXERCISE of PUBLIC RIGHTS

I am of the opinion that the authority has demonstrated that during summer 2025 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.

N. PUBLICATION of 2024/2025 AGAR

The authority has complied with the publication requirements for 2024/25 AGAR. The council has published on its website the appropriate dates for the public inspection of the 2024/2025 completed AGAR and accounts.

I am satisfied the requirements of this control objective were met for 2024/25, and assertion 4 on the Annual Governance Statement can therefore be signed off by the council.

O. The Council has demonstrated clearly that they have put in place arrangements for effective IT and data management in accordance with proper practices for 2025/26.

I am therefore satisfied assertion 10 has been met and that the authority has complied with laws, regulations & proper practices relating to digital and data compliance.

P. TRUST FUNDS

There are no Trust Funds.

This completes the Internal Audit for 2025-2026 for Salfords & Sidlow Parish Council and I am pleased to sign off the AGAR Annual Internal Audit Report 2025/26 accordingly.

If there are any queries on this report please do not hesitate to contact me.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Peter Barclay', written in a cursive style.

Peter Barclay