April Skies Accounting

Rob Applegarth

Witley and Milford Parish Council

10 June 2026

Dear Rob

Witley and Milford Parish Council

Internal Audit 25-26

The internal audit for the 25-26 financial year is now complete.   I am pleased to report that I have signed off the internal audit section of the Annual Governance and Accountability Return (AGAR) for with no comments.

As stated in the 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 and management information – that is the job of external audit.

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 control assertions are set out below, together with the results of my internal audit work for 25-26. Recommendations are set out at Appendix A. Areas not tested because they are not relevant to this Council are listed at Appendix B.

The audit was carried out in two stages. The interim audit was carried out on 18 November, this concentrated on in year financial transactions and governance controls. The final audit was carried out on 23 April and concentrated on the statement of accounts and balance sheet. Final working papers were sent to me on 10 June, at which point I concluded the audit.

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A - Appropriate books of account have been kept throughout the year

Interim Audit

The Council has moved accounts on to the Scribe accounting system for 25-26 financial year. This is a widely used package in the sector and is well suited to a Council of this size, at present the Council only uses the general ledger module . The system is used to report and record the financial transactions of the Council and a review of the cashbook shows that all data fields are being entered, and good use is being made of the document storage options available in Scribe . Key reconciliations are completed monthly. In due course the Council may want to add sales ledger and fixed asset modules offered by Scribe.

I checked who has access to the finance system, three members of staff are set up, alongside my internal audit read only profile. Access to the accounting system is appropriate.

I was able to agree the opening balances in the cashbook back to the audited accounts for 24-25. The opening cashbook balance agreed to box 8 in the 24-25 AGAR and the opening balance sheet agrees to box 7. I am satisfied that correct balances were transferred on to the new accounting system.

The Council's most recent VAT return was completed for the period July to September 2025 (quarter 2). VAT reclaimed has been agreed to the Scribe VAT report, The VAT return was submitted to HMRC on 13 October 2025, reclaim was for £6,131. The claim has been refunded by HMRC, I have checked it into the bank account, received on 16 October. I am satisfied that the Council is up to date with VAT.

Final Audit

The accounting statements have been agreed back to year end reports produced from the Scribe accounting system. All comparatives reported in the financial statements have been agreed back to the audited 24-25 accounts, as published on the Council website. Arithmetic in the financial statements has been checked.

My interim report was considered at the November Full Council meeting (minute 25/109). Minutes show proper consideration of points raised

B - The Council's financial regulations have been met, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for

Interim Audit

Interim Audit Standing Orders and Financial Regulations were last reviewed at the Full Council meeting in May 25 (minutes 24 and 25). Minor changes to the NALC templates were adopted.

The Council makes payments to suppliers as follows. Invoices are received from suppliers and are sent to the office / email addresses. The Clerk checks goods or services have been received. Invoices are then logged in the accounting system and a payment list is produced. Payments are set up in the Unity Bank account by the Clerk. All invoices are scanned, these are emailed to councillors who are bank signatories, requesting that payments are authorised at bank - 2 councillors log in to Unity Bank and authorise the payment. Every month all payments made in previous periods are reported to a Council meeting. No changes have been made to this system in 25-26.

I selected a sample of transactions from the cashbook for the first 8 months of 25-26. I was able to test the following for each transaction:

- Payments could be agreed to invoices
- VAT correctly accounted for
- Checked to bank audit log for proper authorisation
- Payment set up by Clerk and authorised by 2 councillors
- Payment appropriate for this council
-

I checked 2 payments have been reported to a Council meeting.

I identified no errors or omissions in this testing. The Clerk has added a new bowser to the fixed asset register. New fencing for the allotments should also be added.

The Clerk confirmed that handover arrangements are in place for the payment system. The Locum Clerk is being set up as a signatory on relevant bank accounts, and on the accounting system. A procedure note has been drafted, so clear instructions are in place to ensure this robust payment system is retained, once the Clerk leaves the Council.

<u>Final Audit</u>

Non pay expenditure per box 6 to the accounts amounted to £ 161,846 down from £194,322 in 24-25 .

I tested 4 further payments from the final 3 months of the financial year and repeated the tests from the interim audit. No errors were found and I can confirm that the Council continues to follow Financial Regulations when making payments.

<u>C - The Council assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</u>

<u>Interim Audit</u>

The Council is insured with Hiscox, on a standard local council package. The policy was in date at time of audit, with a start date of 8 October 2025, valid until the policy is cancelled. 7 buildings and 3 walls are insured, the main asset being the Burton Pavilion, insured at a value of £1.236million. The pavilion and cemetery building were last revalued in 2022, this meets insurance requirements. A summary of assets insured is set out below:

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Premises address	Sum insured
Burton Sports Pavilion, Milford Heath, Surrey, GU8 5BP	£1,236,970
Cemetery Building, Adj to Council Depot, Godalming, GU8 5BN	£229,776
Large Store including oil tank, Council Depot, Godalming, GU8 5BN	£25,415
Dwarf Wall surrounding Witley War Memorial, Petworth Road, Godalming, GU8 5PH	£21,169
Garage, Haslemere Road, Godalming, GU8 5BN	£18,483
Witley Recreation Ground Wall, Petworth Road, Godalming, GU8 5PL	£271,656
Workshop, Haslemere Road, Godalming, GU8 5BN	£23,104
Churchyard Wall, Churchyard Wall, Godalming, GU8 5BA	£176,400
Witley Recreation Ground Shed, Petworth Road, Godalming, GU8 5PL	£8,820
Jubilee Field/St John's Church - Wall, Petworth Road, Godalming, GU8 5PH	£41,895

Item description	Excess	Amount Insured
Total Buildings	£250	£2,053,688
Gates and fences	£250	£1,355
Fixed outside equipment	£250	£842
Street furniture	£250	£43,109
War memorials	£250	£78,573
Playground equipment	£250	£300,211
Sports surfaces	£250	£18,136
Other surfaces	£250	£40,867
Rent receivable	£250	£0

The Council risk register was considered at the Full Council meeting in June 2025 (minute 42). I reviewed the risk register and considered it is appropriate for this Council. There is evidence of update in year (cybersecurity / website update).

The Clerk confirmed that the ICT provider was contacted in October to confirm back-ups are working effectively. The Scribe system is backed up to Scribe's servers.

D - The annual precept requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

Interim Audit

The process for setting the budget and precept for 26-27 was completed at the Full Council meeting in November 2025 (minute 25/105), following review by Committees and F&GP. A precept of £295,431 was set. The council tax base has been sent to the Council by WBC, and precepting authority deadlines were met.

The Council continues to receive budget v actual reports at each Full Council meeting. I confirmed that this occurred at the November Council meeting - minute F24/105. The Clerk is making good use of budget reporting in the Scribe system.

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The Council should consider introducing a virement process to budget monitoring. At present purchases made from reserves are not funded from budgets, and show as an overspend. Projects of this type, and any material changes to the approved budget should be reported to Full Council for approval in advance of expenditure. These changes, or virements, can then be posted to the accounting system, and budget reporting will be more accurate, with fewer "overspends".

Final Audit

Reserves at 31 March 2026 were £605,353 (24-25 £450,159).

Reserves are managed on Scribe. Balances at year end were as follows:

Capital		
	Central Capital Replacement	78,212.00
	Burton Pavilion	3,000.00
	Tot Capital	**81,212.00**
Earmarked		
	Wheelerstreet Green S106 F	703.00
	Milford Heath Grounds Maint	1,084.00
	June Hodges Memorial Benc	1,600.00
	Blackhill Pond Maintenance	5,800.00
	Tree Survey	1,600.00
	Tree Works	3,800.00
	A&E Contingency	7,700.00
	Flood Resilience Fund	10,000.00
	Amberley Road Equipment	3,843.73
	Grants & Donations	800.00
	F&GP Contingency	10,500.00
	Elections	2,250.00
	Office Relocation	10,150.00
	Wheeler Lane/Gasden Lane	4,319.00
	Council Contingency	12,065.00
	CIL Projects	240,765.12
	Community Fund	2,500.00
	Allotments Enton Deposits	150.00
	Allotments Redgate Deposit:	250.00
TOTAL RESERVE		**401,091.85**
GENERAL FUND		204,261.51
TOTAL FUNDS		605,353.36

The most significant reserve balance is CIL Projects; this is set aside awaiting appropriate projects. The Council should ensure that plans are put in place to utilise these funds within 5 years of receipt, or they are potentially repayable. Other reserves are held to support assets and future projects identified by the Council.

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General reserves at year end were £204K. This represents 72% of precept, which is at the upper midpoint of recommended levels set out in the SAPP Practitioners' Guide. General reserves are held at an appropriate level, although they should not be permitted to increase further, given the Council's extensive earmarked reserves.

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

Interim Audit

I selected a sample of transactions from the cashbook produced by the accounting system for the period 1 April to 30 October 25. I was able to agree cashbook entry back to supporting documentation such as:

- Cemetery invoice, checked back to approved fees and charges
- Remittance advice notes from Waverley – CIL monies x2. The Clerk confirmed these funds have been transferred to CIL reserves
- Interest credit on deposit account.

Credits were also checked to the bank account.

I have recommended that the Clerk should contact Scribe to confirm correct accounting processes are in place for allotment deposits. These should show as a liability on the balance sheet.

Final Audit

Precept per box 2 to the accounts was £283,199 (24-25 £264,148). This has been agreed to third party documentation provided by central government.

Income per box 3 to the accounts was £134,836 (24-25 £203,686). I reviewed a small sample of income credits from the final quarter of the financial year. For transactions selected I was able to agree income back to invoice, and to appropriate supporting documentation.

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

Interim Audit

Satisfactory. My testing confirmed that the Council does not use petty cash

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G- Salaries to employees and allowances to members were paid in accordance with council approvals, and PAYE and NI requirements were properly applied.

Interim and Final Audits

Staff costs per box 4 to the accounts were £100,994 (24-25 £114,473).

Payroll is processed by JML accounting. The Clerk sends a monthly spreadsheet summarising any changes to JML each month. JML then produce the payroll summary and payslips for the Council, these are returned in good time for payroll date. All payments to staff / HMRC /Pensions are set up by the Clerk and authorised at bank alongside supplier payments. No change to this process in 25-26.

I tested 2 officers gross salary for August 25. I agreed payment from cashbook to the monthly payroll summary report from JML. I then agreed pay to payslip. Gross pay was recalculated and agreed back to contract for the 2 officers concerned.

At the year-end audit I confirmed that box 4 only records payments relating to the employment of staff – salaries / payroll taxes and pension contribution. Total staffing costs recorded on the accounting system were £123,544, this is higher that the accounting statements balance as locum staff costs have been correctly coded to box 6, other costs on the accounting statements.

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

Final Audit

Fixed assets per box 9 to the accounts were £ 1,161,149 (24-25 £1,155,658) – increase is £5,692

I have agreed the balance in the accounts back to the asset register. The asset register appears complete and to record assets at cost or proxy cost, as required by regulations, with sufficient detail to locate all assets listed.

Additions of £12.6K have been recorded on the asset register. A schedule of additions has been provided; main items are water bowser at £3.8K and allotment fencing at £6.6K. I have reviewed the general ledger and confirmed there are no purchases missing from the asset register.

Deletions of £6.9K have been processed. A schedule of assets disposed of has been supplied, the disposal related to office ICT equipment. This disposal was reported to the November Full Council meeting (minute 25/110).

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I – Periodic and year-end bank account reconciliations were properly carried out.

Interim Audit

I was able to confirm, by file review, that the bank account is reconciled to the cashbook each month and that it is reviewed by a councillor every 2 months. Bank reconciliations are reported to F&GP Committee meetings.

I reperformed the bank reconciliation for October 2025. I tested the following;

- Checked arithmetic
- Agreed balances to Scribe accounting system and to bank statements
- Confirmed that the bank reconciliation has been signed as reviewed by the Chair of F&GP, evidenced on the reconciliation and bank statements

Final Audit

Borrowings per box 10 to the accounts were £nil (24-25 £ nil)
Cash per box 8 to the accounts was £597,823 (24-25 £463,432)

I reperformed the year end bank reconciliation. I agreed all balances in the bank reconciliation back to the accounting system reports and to bank statements. The year end bank reconciliation was found to be accurate. Review has been completed by the Chair of the Finance Committee.

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, were supported by an adequate audit trail from underlying records, and where appropriate debtors and creditors were properly recorded.

WMPC has produced accounts on the accruals basis, this is required as income / expenditure is above £200k. A reconciliation between Box 7-8 of the accounts has been prepared, for external audit review, and creditor and debtor listings support this reconciliation. An explanation of year-on-year variances has also been prepared and provides detailed explanations for review by external audit.

L: The Authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements

As a larger Council, with income / expenditure in excess of £200K, Witley is required to follow the 2015 Transparency Code. Information is published on the transparency page on the Council website. This is comprehensive, clearly presented and up to date. I test checked the following:

- Expenditure over £500 – published to 31 March 2026
- Grants - 25-26 awards published

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M - Arrangements for Inspection of Accounts

Inspection periods for 24-25 accounts were set as follows

Inspection - Key date	24-25 Actual
Accounts approved at Full Council	26 June 2025 Full Council
Date of Notice	27 June
Inspection period begins	30 June
Inspection period ends	8 August
Correct length	Yes – 30 working days

All regulatory requirements were met.

N: Publication requirements 24-25 AGAR

The Audit Certificate, Statement of Accounts and Annual Governance Statement have been published on the Council website. The external audit certificate was clear and is dated 14 September. The Conclusion of Audit certificate is also published, dated 15 September, before the statutory deadline of 30 September. The audit certificate was reported to Full Council in September - minute F25/071.

The Council has met publishing requirements.

O: The authority has complied with laws, regulations & proper practices relating to digital and data compliance.

For 25-26, an additional assertion has been added to the Annual Governance Statement, this covers digital and data compliance. The Council has reviewed this matter and recorded responses in a note prepared by the Locum Clerk. I have one recommendation:

- Website Accessibility . The website accessibility statement refers to compliance with WCAG standard 2.1. The standard required by the Practitioners' Guide is set out below

  1.49 All websites must meet the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 (where applicable).

The Council should review the website against this standard in 26-27, and make any changes required to meet mandated accessibility standards.

However, the Council has provided sufficient evidence to support a positive sign off of Assertion 10.

P - Trust funds (including charitable) The council met its responsibilities as a trustee.

The Council is not a charity trustee. This has been confirmed by the Clerk.

I would like to thank you for your assistance with the audit. I attach my invoice and the Internal Audit Report from the AGAR for your consideration. I look forward to working with you again in 26-27

Yours sincerely

Mike Platten CPFA

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Appendix A – Recommendations

Points Forward – Action Plan - Interim Audit

Matter Arising	Recommendation	Council Response
For 25-26, an additional assertion has been added to the Annual Governance Statement, this covers digital and data compliance. The Council is largely compliant with the requirements of the Practitioners' Guide in this area.	For clarity, it is recommended that the Council considers compliance with paragraphs 1.47 to 1.54 of the Practitioners' Guide at a Full Council meeting before the end of the financial year. This should support a positive response on the Annual Governance Statement.	
The Council should consider introducing a virement process to budget monitoring. At present purchases made from reserves are not funded from budgets, and show as an overspend. Projects of this type, and any material changes to the approved budget should be reported to Full Council for approval in advance of expenditure.	These changes, or virements, can then be posted to the accounting system, and budget reporting will be more accurate, with fewer "overspends".	
I have recommended that the Clerk should contact Scribe to confirm correct accounting processes are in place for allotment deposits.	These should show as a liability on the balance sheet.	

All Recommendations actioned, confirmed to November 2025 Full Council minutes

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Points Forward – Action Plan - Final Audit

Matter Arising	Recommendation	Council Response
The website accessibility statement refers to compliance with WCAG standard 2.1. The standard required is WCAG 2.2AA	The Council should review the website against this standard in 26-27, and make any changes required to meet mandated accessibility standards.	

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Appendix B

Internal Audit Control Objectives – Marked as not covered

Control Objective	Area for Audit	Why this has not been audited
K	Exemption from limited assurance review	Council had limited assurance review in 24-5
F	Petty Cash	No Petty Cash
O	Trust	No Trusts

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