

Sarah Nash

Witley and Milford Parish Council

18 November 2025

Dear Sarah

Witley and Milford Parish Council

Interim Internal Audit 25-26

Following the interim audit completed on 18 November, I attach my report for consideration by the Council. This was the first of two audits I intend to carry out to support my opinion on the 25-26 Annual Governance and Accountability Return (AGAR). I covered the following at this visit:

- Review of opening balances and reporting of 24-25 audit opinion
- Follow up previous recommendations
- Review of accounting and VAT processes
- Testing of income and expenditure first 8 months of financial year
- Risk management and insurance
- Budget monitoring reports
- Salaries and wages
- Arrangements for inspection of accounts
- Bank reconciliations.

I am pleased to report that the Council has successfully maintained a robust system of financial control, and I have identified no matters to date that would result in a negative opinion on the year- end internal audit report. At Appendix A I list recommendations arising.

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 when they are considering the Authority's approval of the annual governance statement. I am required by Section 4 of 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 testing carried out at the interim audit.

☎ 07958 990310

✉ mike@aprilskies.co.uk

Company Registration Number 14174016
6 Uplands Road. Farnham GU9 8BP

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.

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

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.

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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.

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

Interim Audit

The Council is insured with Hiscox, on a standard local council package. The policy was in date at time of audit, with an 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:

April Skies

Accounting

Full Council 27.11.2025

Agenda Item 10.1

Appendix 2

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 consider is appropriate for this Council. There is evidence of update in year (cybersecurity / website update).

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 meeting before the end of the financial year. This should support a positive response on the Annual Governance Statement

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.

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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 is nearing completion. This is due to be finalised at the Full Council meeting in November, following review by Committees and F&GP. The council tax base has been sent to the Council by WBC, so no late amendments should be necessary.

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/I05. The Clerk is making good use of budget reporting in the Scribe system.

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 will review reserves at my year end audit.

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.

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

Year end audit

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

Interim Audit

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.

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

Year-end test

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

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.

Year end test

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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

Year end test

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 - 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, and wish you well in your new job. I will be in touch with the Council in the new year to make plans for the year end audit.

Yours sincerely



Mike Platten CPFA

☎ 07958 990310

✉ mike@aprilskies.co.uk

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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".	
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Practitioner's Guide 2025**Assertion 10 - Digital and data compliance (Assertion 10 added to clarify data compliance, previously covered under Assertion 3)**

To warrant a positive response to this assertion, the authority needs to have taken the following actions:

1.47 Email management - Every authority must have a generic email account hosted on an authority owned domain, for example clerk@abcparishcouncil.gov.uk or clerk@abcparishcouncil.org.uk rather than abcparishclerk@gmail.com or abcparishclerk@outlook.com for example.

Response: The Council uses generic .gov.uk email accounts that are hosted on an authority owned domain @witley-pc.gov.uk

1.48 All smaller authorities (excluding parish meetings) must meet legal requirements for all existing websites regardless of what domain is being used.

The Council's website meets legal requirements.

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 Parish Council's website meets the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 (where applicable).

1.50 All websites must include published documentation as specified in the Freedom of Information Act 2000 and the Transparency code for smaller authorities (where applicable).

The Council's website publishes all required documentation as specified in the Freedom of Information Act 2000 and the Transparency Code.

1.51 All smaller authorities, including parish meetings, must follow both the General Data Protection Regulation (GDPR) 2016 and the Data Protection Act (DPA) 2018.

The Council follows both the General Data Protection Regulation (GDPR) 2016 and the Data Protection Act (DPA) 2018.

1.52 All smaller authorities, including parish meetings, must process personal data with care and in line with the principles of data protection.

The Council processes personal data with care and in line with the principles of data protection.

1.53 The DPA 2018 supplements the GDPR and classifies an authority as both a Data Controller and a Data Processor.

The Council notes that it is classified as both a Data Controller and Data Processor.

1.54 All smaller authorities (excluding parish meetings) must also have an IT policy. This explains how everyone - clerks, members and other staff - should conduct authority business in a secure and legal way when using IT and software. This relates to the use of authority-owned and personal equipment.

The Council has an adopted IT policy.

Virements/Budget Amendments

The Clerk is seeking approval from Members to make the following mid-year changes to the budget, following the recommendation made by the Internal Auditor. This will ensure that budget reporting will be more accurate, with fewer "overspends".

		Budget	Actual	Overspend	Proposed Budget
A&E					
65	WRG Grounds Maintenance	£1,500	£3,875	-£2.375	£3,875
73	JF Play Area Maintenance	£1,000	£1,850	£850	£1,850
76	Enton General Maintenance	£3,000	£5,520.00	£2,520	£5,520.00
79	Equipment & Machinery and new purchases	£750	£3,850.00	£3,100	£3,850.00
106	Moushill Green Grounds maintenance	£1314	£1,115.46	£300	1614
116	Amberley Road Maintenance	£1,000	£ 6,639.83	£5,639.83	£ 6,639.83
F&GP					
36	Donations	£1,000	£ 1,472.78	£472.78	£ 1,472.78

In addition to the above budget amendments, the Clerk seeks approval from Members to vire £10,752 from the Clerk's salary budget to Staffing Professional fees, to cover the cost of the Locum Clerk for the months of December and January (based on 8 weeks work), to be reviewed again at January Full Council.