



Black Rose Solutions Limited

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20<sup>th</sup> May 2025

Dear Les,

**Stone Town Council – Internal Audit 2024/25**

I confirm that I have carried out an examination of your accounts and procedures, in line with the Practitioners Guide 2024 and in accordance with the requirements of the Accounts and Audit Regulations 2015.

I can state that I found no material errors, omissions or irregularities in your financial records and I have no concerns about your internal control procedures.

Please refer to the enclosed report for further details of the audit work covered.

I would also confirm that I am totally independent of your Council and have no contact with any Member or employee.

Yours sincerely,

*S Morris*

Mrs Sandra Morris ACMA

Enc  
Full Internal Audit Report

Comments marked **REC** denote an issue recommended for action as it may affect the Internal Audit response on the AGAR (Annual Governance and Accounting Return).

Comments marked **note** are included for reference or information.

Items referenced **FR** – relates to clause in the council's financial regulations.

Items reference **PG** – relates to a clause in the practitioners Guide.

# Black Rose Solutions Ltd

## Internal Audit - Report

Name of Council - **Stone Town Council**

Date of Audit - **25th February 2025 & 20th May 2025**

### Annual Return - Internal Control Objectives

<b>A. Appropriate accounting records have been properly kept throughout the financial year.</b>	YES
Is the cashbook maintained and up to date?	yes
Is the cashbook arithmetic correct?	yes
Is the cashbook regularly balanced?	yes
The council uses the Sage accounting system, no errors or omissions were noted	
<b>B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.</b>	YES
Are payments supported by invoices?	yes
Is all expenditure approved?	yes
Is VAT appropriately accounted for?	yes
Does the Council hold Power of Competence?	yes
Re adopted?	16/05/2024
<b>C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</b>	YES
Does a review of the minutes identify any unusual financial activity?	no
Do minutes record the council carrying out an annual risk assessment?	yes
Is Insurance cover appropriate and adequate?	yes
Are internal financial controls documented and regularly reviewed?	yes
	<b>Review</b>
Risk Assessment	18/03/2025
Financial Regulations	05/03/2024
Standing Orders	05/03/2024

<b>D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.</b>	YES
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PG.D.5 • Ensure that the precept in the accounts matches the submission form to the relevant authority and the public record of precepted amounts ok\*

Has the council prepared an annual budget in support of its precept?	yes
Is actual expenditure against the budget regularly reported to the council?	yes
Are there any significant unexplained variances from budget?	no
Does the precept recorded agree to the Council Tax authority's notification?	yes*
Are reserves appropriate?	yes
Earmarked Reserves	121,262
General Reserves	270,351
Months of Income	6
Months of expenditure	7
The council holds general reserves within guidelines (3 to 12 months of Net Revenue Expenditure)	note
A data entry/rounding error caused the reported Precept figure to be £1 different to that reported by the Borough Council. This will be corrected.	

<b>E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.</b>	YES
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Is income properly recorded and promptly banked?	yes
Are security controls over cash and near-cash adequate and effective?	yes
Is the council VAT registered?	yes
Are returns submitted in a timely manner?	yes
Is VAT reclaimed on exempt business activities reviewed and considered insignificant?	yes
Are receipts for business activities within the registration threshold?	n/a

<b>F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.</b>	N/a
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The council holds no petty cash

<b>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.</b>	YES
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Do all employees have contracts or employment with clear terms and conditions?	yes
Do salaries paid agree with those approved by the council?	yes
Are other payments to employees reasonable and approved by the council?	yes
Have PAYE/NIC been properly operated by the council as an employer?	yes
Does line 4 include only Salary, NI & Pension	yes
Does the council monitor off payroll working (IR35)	yes

<b>H. Asset and investments registers were complete and accurate and properly maintained.</b>	YES
Does the council maintain a register of all material assets owned or in its care?	yes
Are the assets and investments registers up to date?	yes
Do asset insurance valuations agree with those in the asset register?	yes
<b>I. Periodic and year-end bank account reconciliations were properly carried out.</b>	YES
Is there a bank reconciliation for each account?	yes
Is a bank reconciliation carried out regularly and in a timely fashion and approved by council?	yes
Are there any unexplained balancing entries in any reconciliation?	no
Is the value of investments held summarised on the reconciliation?	n/a
<b>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.</b>	YES
Are year end accounts prepared on the correct accounting basis (receipts and payments or income and expenditure) ?	I&E
Are debtors and creditors properly recorded?	yes
Do accounts agree with the cashbook?	yes
Is there an audit trail from underlying financial records to the accounts?	yes
<b>K. If the authority certified itself as exempt from a limited assurance review in 23/24, it met the exemption criteria and correctly certified itself exempt</b>	N/a
The council did not certify itself exempt	
<b>L. The authority publishes information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.</b>	YES
<b>All councils - Accounts and Audit Regulations 2015</b>	
Accounts remain published for 5 years	yes
<b>Transparency Code for Larger Authorities (income/expenditure &gt;£200k)</b>	
<b>Quarterly:-</b>	
All items of expenditure above £500	yes
Procurement information (initiations to tender > £5k)	yes
<b>Annually:-</b>	
local authority land	yes
grants to voluntary, community and social enterprise organisations	yes
organisation chart	yes
senior salaries (>£50k)	n/a
constitution (standing orders)	yes
pay multiple	no
The council falls into large authority thresholds for Transparency Code guidelines, so the code details what advised to be published. But this is not a legal requirement.	

<b>M. The authority has demonstrated that during summer 2024 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations. (Evidenced by website or minutes)</b>		YES
Approval Date (meeting)		04/06/2024
Publication Date (announcement date)		18/06/2024
Date from (commencement date)		19/06/2024
Date to		30/07/2024

<b>N. The authority has complied with the publication requirements for 2023/24 AGAR.</b>		YES
Notice of Period for Exercise of Electors Rights		yes
Section 1 Annual Governance Statement		yes
Section 2 Accounting Statements		yes
Notice of Conclusion of Audit		yes
Section 3 External Audit Report & Certificate		yes
Internal Audit Report		yes

<b>O. Trust funds (including charitable) – The council met its responsibilities as a trustee.</b>		YES
The council has oversight of two charities		
Town Hall Charity (505718) - Sole Trustee		
Richard Vernon Trust (236666) - 3 councillors appointed		
Filings for both are up to date, finances and meetings are separate from the council.		



# Annual Internal Audit Report 2024/25

ENT'S NAME OF AUTHORITY Stone Town Council

www.stonetowncouncil.gov.uk ENT'S PUBLICLY AVAILABLE WEBSITE/WEBPAGE ADDRESS

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. NO PETTY CASH HELD			✓
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

Name of person who carried out the internal audit

25/02/2025 20/05/2025 DD/MM/YYYY

ENT'S NAME OF INTERNAL AUDITOR S. MORRIS ACMA

Signature of person who carried out the internal audit

SIGNATURE REQUIRED

Date 20/05/2025

\*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).