

Whimble Parish Council Statement on External Auditor's Report

External Auditor comment:

The smaller authority has confirmed that it has not complied with the governance Assertion in Section 1, Box 5, but it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified.

Council response:

During the 2024/25 financial year, Whimble Parish Council had a Risk Management Strategy and considered risk while discussing plans and actions. What was not in place was an up to date risk assessment that was considered on a regular basis.

The Council has an action plan to strengthen its risk management arrangements during the 2025/26 financial year. This includes:

- ✓ *Reviewing and approving the Risk Management Strategy (approved by Council on 19 May 2025 and published on the website)*
- ✓ *Reviewing and approving the Council's risk assessment (approved by Council on 19 May 2025)*
- ✓ *Reviewing the risk assessment on a quarterly basis to identify and new and emerging risks as well as tracking progress of existing risks (Quarter 1 review went to the Council on 21 July 2025 and Quarter 2 will be considered in October 2025)*

External Auditor comment:

In the completion of the Internal Auditor's detailed Internal Audit Check, the internal auditor has drawn attention to weaknesses in relation to VAT reclaims. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner.

Council Response:

The VAT reclaims for the 2023/24 and 2024/25 financial years were completed in a prompt manner in April 2024 and 2025 respectively. The Clerk (as the Responsible Financial Officer) completes the VAT reclaim in April each year immediately after the financial year end has finished.

The Clerk identified that an old VAT reclaim had not been completed for the 2022/23 financial year. A VAT reclaim was received in May 2023 and it was assumed that this was for the 2022/23 financial year when, in actual fact it was for the 2021/22 financial year. This was during the period when the former clerk left in early 2023, an interim clerk was in post until July 2023 when the current clerk started in post.

The Clerk has pulled together all of the VAT invoices for the 2022/23 financial year and a reclaim will be submitted to the HMRC shortly.