

INTERNAL AUDITOR

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BENTLEY PAUNCEFOOT PARISH COUNCIL (BP)

Internal Audit Report for the Annual Governance and Accountability Return Financial Year Ending 31st March 2025

Scope of Audit

All parish councils are required by the Accounts and Audit Regulations 2015 to undertake an effective internal audit to evaluate the effectiveness of their system of internal controls, risk management and governance processes at the end of each financial year.

The council have complied with the requirement to appoint an independent auditor by appointing Ruth Mullett to undertake the work. I confirm that I am independent of financial decision making, financial management, financial control, and financial procedures of BP.

I have examined documents with a view to report on BP's performance against the internal control objectives identified in the Annual Governance and Accountability Return 2024/25 Form 2.

Documents

I have examined the following documents given to me or accessed via the website: -

- Meeting minutes and agendas
- Bank statements.
- Summary reports for receipts and payments and bank account totals generated by an excel spreadsheet.
- Invoices
- Payments received/remittance advice documents.
- Audit documents including Annual Governance and Accountability Return (AGAR) documents.
- Notice of Public Rights
- Financial Regulations
- Standing Orders

FINDINGS FOR EACH INTERNAL CONTROL OBJECTIVE

Appropriate accounting records have been properly kept throughout the financial year.

I have examined transaction records from the spreadsheets provided, transactions, payments and receipts and carried out a sample of the transaction records with the bank statements, invoices and payments received documents. I have also carried out an end of year bank reconciliation and I have found no errors or omissions.

I conclude that this audit objective has been met.

BP complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.

I have checked compliance with Financial Regulations, in particular I have considered the procedure to ensure transactions are recorded in the minutes and the procedure for approval of expenditure. As the parish council only meets bimonthly payments authorised and made outside of a parish council meeting are being minuted and ratified at the next council meeting.

I have taken samples of transactions of payments from the spreadsheet provided, found the corresponding invoices and confirmed timely approval and payment.

The spreadsheet shows that VAT is correctly accounted for, and that VAT has been claimed for from HMRC to August 2024 of £275.05 received on 21st October 2024.

I can confirm that this internal objective was met.

BP assessed the significant risks to achieving its objectives and reviewed the adequacy of the arrangements to manage these.

I have seen evidence that a Risk Assessment has been carried out and the Risk Assessment was approved by full council on 18th March 2025.

I can confirm that this internal control objective was met.

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

Minutes of BP's meeting held on 19th November 2024 showed budget discussions commenced and the precept was approved on 21st January 2025 by full council. The budget amount and precept figure were not minuted though following the agreement by full council.

Going forward please minute the actual budget and precept figure. I can confirm that this internal control objective has been met.

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

Spreadsheets were examined and found no errors or omissions.

I can confirm that this internal control objective was met.

Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for

The council does not hold petty cash.

I can confirm that this internal control objective was not covered.

Salaries to employees and allowances to members were paid in accordance with BP approvals and PAYE and NI requirements were properly applied.

Examination of printed records and invoices demonstrate that salaries and allowances (expenses) were correctly approved, and PAYE and NI requirements were correctly applied. PAYE is administered through Basic Tools.

Councillors do not receive an allowance.

I can confirm that this internal control was met.

Asset and investment registers were complete and accurate and properly maintained.

The Asset Register is up to date and approved by full council on 18th March 2025. It is also pleasing to note that the parish council have purchased a council owned laptop and printer following recommendations from last year's internal audit.

I can confirm that this internal control was met.

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

Bank reconciliations are a regular agenda item at full council meetings. I have found no errors or omissions.

I can confirm that this internal control was met.

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.

Accounting statements were prepared for BP meetings from Excel spreadsheets. The format of the reports included totals in bank accounts, a summary of receipts and payments and reports on reserve balance.

I have compared a sample of the transaction records with the bank statements, invoices and payments received and found no errors omissions.

I can confirm that this internal control objective has been met.

If BP certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt.

BP met the criteria to claim exemption and the decision was minuted at a full council meeting held on 21st May 2024.

I can confirm this internal control objective was met.

BP publishes information on a website, up to date at the time of the internal audit, in accordance with the relevant transparency code requirements.

Agenda and minutes are uploaded onto the website as well as a full list of all payments over £100.00, although the list of payments for 24/25 needs to be uploaded. A copy of the Asset Register also needs to be uploaded to the website.

Please update a copy of your Asset Register onto the website. I can confirm that the internal objective was met.

BP, during the previous year (2023/24) has correctly provided for the period for the exercise of public rights in accordance with the Accounts and Audit Regulations

The Notice of Public Rights of the Annual Governance and Accountability Return for the year ended 31st March 2024 was examined. The commencement date is 3rd June 2024 to 12 July 2024. This has been uploaded onto the website and minuted at the full council meeting held on 21st May 2025.

I can confirm that this internal control objective was met.

Trust funds (including charitable) – met its responsibilities as a trustee.

BP does not act as a trustee for any trust fund.

This control objective is not applicable.

Other Points for Attention

1. The Election of the Chair and Vice Chair should be done at the Annual Council Meeting not the Annual Parish Meeting. The Annual Parish Meeting is a meeting of electors (residents) not the council so no official business should take place.
2. The Vice Chair does not have to sign an additional Declaration of Acceptance of Office as although best practice to elect a Vice Chair, there is no statutory requirement.
3. Authorisation of online payments by one councillor – Financial Regulations state, *“wherever possible, more than one person should be involved in any payment, for example dual online authorisation”*. Consider updating the bank mandate to include two councillors to authorise online payments.

Cont/d.....

Finally, I would like to thank Mrs Wood for her assistance and co-operation in preparation for and during the course of the audit.

Kind regards

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a horizontal line and some additional scribbles.

Ruth Mullett
BA (Hons) Community Governance