

INTERNAL AUDITOR

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RUSHOCK PARISH COUNCIL PARISH COUNCIL (RPC)

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 RPC.

I have examined documents with a view to report on RPC'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.

RPC 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 of £79.16 received on 11th 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 9th May 2024.

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.

The precept and budget were agreed by full council on 16th January 2025, the precept amount of £3,972.82 is shown in the minutes.

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.

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

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 9th May 2024.

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 RPC meetings from Excel spreadsheets. The format of the reports included totals in bank accounts and a summary of receipts and payments. 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 RPC certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt.

RPC met the criteria to claim exemption and the decision was minuted at a full council meeting held on 9th 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.

Councils with a budgeted income less than £25,000.00 who declare themselves exempt must comply with the Transparency Code for Smaller Authorities namely:-

The following information must be published on an accessible website:-

- Minutes, agendas and papers of formal meetings – **this internal objective has been met**
- Items of expenditure over £100.00 – **this internal objective has not been met**
- End year accounts – **this objective has been met**
- Annual Governance Statement – **this objective has been met**
- Internal Auditors Report – **this objective has been met**
- List of councillors responsibilities – **this objective has been met**
- Location of public land and building assets – **this objective has not been met**

Please upload a copy of your Asset Register and items of expenditure over £100.00 onto the website. I can confirm that the internal objective was met.

RPC, 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

Although RPC correctly provided for the period for the exercise of public rights in 2023/24, the published period (21st May to 1st July) did not meet the requirement to include the full first 10 working days of July. This constitutes a minor breach of the Accounts and Audit Regulations 2015. It is recommended that future notices ensure the period extends at least until 12th July.

I can confirm that this internal control objective was not 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. A gift was purchased as a token of appreciation for the Lengthsman. However, as the Parish Council does not currently hold the General Power of Competence, it does not have the statutory authority to make such purchases. It is recommended that, going forward, the Council consider allocating a modest sum under a Chairman's Allowance within its budget. This would provide an appropriate and lawful means to cover similar gestures in the future.
2. Chocolates were purchased for children – this type of expenditure should be recorded under Section 137 of the Local Government Act 1972. A separate budget heading should be created in the cashbook to monitor all spending under this power. Section 137 allows a parish council to spend a limited amount of money for purposes that are not otherwise authorised by other powers, provided that the expenditure is for the direct benefit of the area or its inhabitants.

Finally, I would like to thank Mrs Drew 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 series of loops and a long horizontal stroke extending to the right.

Ruth Mullett
BA (Hons) Community Governance