Annual Internal Audit Report 2024/25

Stoke Bliss, Kyre and Bockleton Parish Council

https://www.stokeblissgroupparishcouncil.org.uk/

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.			✔
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

11/08/2024 22/04/2025 DD/MM/YYYY

Name of person who carried out the internal audit

G M Lungley

Signature of person who carried out the internal audit SIGNATURE REQUIRED

Date 22/04/2025

*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).

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Stoke Bliss, Kyre and Bockleton Parish Council

Annual Internal Audit Report

Having been appointed at the parish council meeting held 4th November 2024, I have now completed an internal audit of the parish council's accounts and governance procedures.

Included in this annual review is my understanding of those procedures and the end of year figures which support the completed Annual Internal Audit Report section of the AGAR for 2024/25. The signed copy is returned herewith.

The role of the Internal Auditor is to review systems rather than undertake detailed checks that are more appropriately the responsibility of the council, however in this report I have included a few recommendations as '**Comment**' where there is potential for improvement.

I confirm I have acted independently of the council to produce this report.

In general, I have found the records of the council's accounts and governance procedures to be well kept, and would like to thank your Clerk, Carol Hirst for her assistance in preparation of this report.

G Lungley

Gill Lungley
Internal Auditor
22/04/2025

Introduction

The Accounts and Audit Regulations 2015 require all parish and town councils to prepare an Annual Governance and Accountability Return (AGAR). The process expects the council to conduct a review of the effectiveness of their system of internal control in accordance with proper practices relating to accounts, and appoint a competent, independent person to undertake an internal audit.

As part of that review process, Stoke Bliss, Kyre and Bockleton Parish Council has appointed me to undertake the annual internal audit. The role of the Internal Auditor is to look through the council's processes and procedures and, where necessary, make recommendations (here noted as '**Comment**') intended to support improvement of the Council's governance.

The primary objectives of Internal Audit are to:

i. review, appraise and report upon the adequacy of governance and internal control systems operating throughout the council, for which I will adopt a predominantly systems-based approach; and

ii. carry out an annual inspection of the books and records of the council.

Scope of Work

In keeping with Proper Practices, I have checked the following key areas for compliance:

A. Proper bookkeeping
B. Payment controls in relation to Financial Regulations
C. Risk management and Financial Internal Controls
D. Budgetary controls
E. Income controls
F. Petty cash procedures (if applicable)
G. Payroll controls
H. Assets and investments
I. Bank reconciliations.
J. Accounting statements and application of spending powers
K. Exemption criteria (if applicable)
L. Website and transparency code
M. Public Rights notice and dates
N. Publication of previous AGAR
O. Review of the status of Trusts (if applicable)

Please note: Reference to "Proper Practices" is to the annual publication from the Joint Panel on Accountability and Governance (JPAG) Practitioners' Guide. In this case it refers to the edition for the financial year 2024/25, which is available online here: file (https://www.saaa.co.uk)

AGAR certificate reference	**Internal Audit action for expected controls,** as specified in 'Governance and Accountability for Smaller Authorities in England', March 2024	
A.	**Appropriate accounting records have been properly kept throughout the year.** It is noted the council uses an excel spreadsheet for the bookkeeping.	
	(1) Roll forward of the prior year cashbook balances to the new financial year. Box 7 2024 = £4,454; Box 1 2025 = £4,454	✓
	(2) Financial transactions in cashbooks relative to bank statements, etc: the sample size dependent on the size of the authority and nature of accounting records maintained. Attached as appendix A.	✓

	(3) Bank Reconciliations Are bank reconciliations prepared routinely and subject to independent scrutiny and sign-off by members? **Comment**: The parish council meets quarterly. The minutes record the preparation of regular bank reconciliations and their approval. It would help towards openness and transparency to include in the minutes the actual figures relating to the monthly reconciliation showing the relevant bank balances.	✓
	(4) Year-end bank reconciliation. The bank statement totals £5,061.70.	✓
	(5) Investments Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy.	n/a
B	**This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.**	
	The parish council reviewed its Financial Regulations in May 2024. Copies of all invoices have been provided to me and the relevant payment approvals have been recorded in the minutes A VAT reclaim for the period 01/03/2023 to 31/01/2025 has been made and duly received, although yet to be reported as a receipt to the council.	✓
C	**This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.**	
	The parish council's risk schedule was reviewed in May 2024. The insurance cover includes for Employer's Liability, Public Liability, libel and slander, fidelity guarantee, personal accident, legal expenses. It is noted the insurance cover includes additional cover for the two defibrillators, bus shelter and grit bin (the laptop is included as part of the office contents cover).	✓
D	**The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.**	
	The precept for 2025/26 was agreed at the meeting held 04/11/2024. The precept for 2024/25 was agreed at the meeting held 13/11/2023 which records setting the precept at £5,501. The Public record available online, shows precept of £5,501. The accounts spreadsheet records receipt of £5,501 during the 2024/25 financial year. An updated Budget Monitoring Report is circulated to councillors for scrutiny at each quarterly meeting. **Comment**: it would be helpful to record the updated budget in the minutes.	✓
E	**Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.**	
	In partnership with the county council, the parish council operates the Lengthsman scheme and submissions for reimbursement of all related costs are made and received monthly. The parish council is not registered for VAT and makes no VATable charges.	✓

F	**Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for**	
	No petty cash system is operated.	
G	**Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.**	
	The council is registered with HMRC as an employer and reports monthly salary payments and related PAYE & NI responsibilities through the use of HMRC Basic Tools operated by the Clerk. Monthly amounts are submitted to HMRC for PAYE and NI. Members' allowances are not claimed. The annual salary increase that was agreed nationally in late November 2024 has not been recorded in the minutes but, in keeping with the council's compliance with the National Agreement for staff employment, has been incorporated and subsequent back-pay and updated salary payments have been approved.	✓
H	**Asset and investment registers were complete and accurate and properly maintained.**	
	The parish council agreed its asset register in May 2024 and this is published online. **Comment:** the insurance schedule records items that are not included on the published asset register and vice versa. See also comment in section L below. No investments are maintained. The council has no loans.	✓
I	**Bank account reconciliations.**	
	Presented and approved at each council meeting. **Comment:** it is recommended that a record of the actual figures relating to each quarterly bank reconciliation is included in the minutes.	✓
J	**Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.**	
	Stoke Bliss, Kyre and Bockleton PC accounts are maintained as Receipts and Payments. Annual turnover is less than £200,000.	✓
K	**If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.**	
	Stoke Bliss, Kyre and Bockleton PC has a turnover of less than £25,000 and appropriately confirmed exemption from the limited assurance review at its meeting held 20/05/2024.	✓
L	**The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with the relevant legislation**	

	The relevant legislation includes: FoI Publication Scheme Accounts and Audit Regulations 2015 Transparency Code for Smaller Authorities 2014 (NB mandatory if annual turnover is less than £25k) **Comment:** The parish council has its own website: Stoke Bliss, Kyre and Bockleton Parish Council which conforms to expected standards and includes a privacy policy and accessibility policy. It is recommended the council reviews its Publication Scheme and complies with the Transparency Code eg with regard to the Asset Register.	✓
M	**The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.**	
	Yes, appropriate period provided.	✓
N	**The authority complied with the publication requirements for the prior year AGAR.**	
	Yes.	✓
O	**Trust funds (including charitable) - the Council met its responsibilities as a trustee**	
	Not applicable.	n/a

Gill Lungley, 22/04/2025

Appendix A

Test sample of payments made .

Month	Item	Gross Amount	VAT recorded	Approval minute ref	Payment same as minuted	Date paid on bank statement
Apr24	Annual subscription	£383.79	£58.38	8.5.24 B	✓	23/04/2024
Apr24	Lengthsman	£239.25	nil	8.5.24 B	✓	01/06/2024
Aug24	Insurance	£322.54	nil	7.8.24 A	✓	03/08/2024
Aug24	Hall hire	£20.00	nil	7.8.24 A	✓	31/07/2024
Sep24	PAYE/NI	£61.00	nil	7.11.24	✓	03/09/2024
Feb25	Expenses	£67.00	nil	7.2.25	✓	24/01/2025

Notes:

1. Due to the online payment process whereby only one person is required to upload and authorise online payments, it is recommended staff are paid by monthly standing order. Any overtime payments may be made by BACS as required. All standing orders are approved in advance by the Council. This absolves the staff member from any embarrassing unintentional errors that can occur during the monthly process.
2. No statutory authority is recorded against each payment approval.

Receipts				
Month	**Payer & reason**	**Amount**	**Minute ref.**	**Bank statement**
Jul/24	County Council/Lengthsman	£247.50	7.8.24	16/07/2024
Oct/24	District Council/ 2nd-half precept	£2,750.50	7.11.24	04/10/2024
Jan/25	County Council/Lengthsman	£239.25	7.2.25	14/01/2025

Note: **Bank TSB balance as at 31/03/2025**

Club, Charity and Trust a/c	£5,061.70

Bank reconciliation based on bank statements to 31/03/2025 and cashbook record.

Opening balance as at 01/04/2024 as per AGAR 2023/24 box 7:		
Club, Charity and Trust a/c	£4,453.98	
		£4,453.98
From cashbook to 31/03/2025:		
Add total receipts to date	£8,777.51	
Less total payments to date	-£8,169.79	**+£607.72**
	A	**£5,061.70**
Closing balance as at 31/03/2025 from bank statements:		
Club, Charity and Trust a/c	£5,061.70	
	B	**£5,061.70**
		A - B = £0 difference

B = Closing balance as at 31/03/2025, as per AGAR 2024/25 box 7.