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Stoke Bliss Parish Council

Annual Internal Audit Report 2025/26

Having been notified of the parish council's wish to continue as your Internal Auditor for the 2025/26 financial year, I have now completed my review 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 2025/26. 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. In this report if I have identified any areas for improvement, they have been noted as recommendations under the heading of '**Comment**'.

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, Carole Hirst, for their assistance in preparation of this report.

G Lungley

Gill Lungley
Internal Auditor
19/04/2026

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 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 updated Proper Practices*, I have checked the following key areas:

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. 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. Digital and data compliance (new)
P. 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 amended edition for the financial year 2025/26, which is available online here: file (https://www.saaa.co.uk) and any relevant updates since publication.

AGAR certificate reference	**Internal Audit action for expected controls,** as specified in 'Governance and Accountability for Smaller Authorities in England', March 2025	
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 2025 = £5,062 (£5,061.70) which is the opening balance to the 2025/26 financial year's bank reconciliations and as shown at Box 1, 2026.	✓

(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.

Inv. #	Reason	Amount	Minutes	bank
Row 4	PAYE / NI	£63.20	05/2025	04/25
Row 12	Hall hire	£20.00	05/2025	05/25
Row 28	Lengthsman services	£238.00	11/2025	09/25
Row 46	Training	£42.00	02/2026	01/26
Row 51	Road grit	£152.72	x	02/26

Audit trail for each above followed via minutes approval decision where needed and minuted authorisation approval, copy of invoice, bank statement.

✓

(3) Bank Reconciliations

Are bank reconciliations prepared routinely and subject to independent scrutiny and sign-off by members?

The parish council meets quarterly and a bank reconciliation, prepared by the Clerk, is agreed at each meeting following overview by the Chair.

✓

(4) Year-end bank reconciliation and accuracy of the combined cash and bank balances on AGAR s2, line 8.

The council's year-end bank reconciliation complies with the cashbook and bank statements in accordance with AGAR s2, line 8.

✓

(5) Investment strategy if bank balances are more than £100,000

n/a

B

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

1. Review the procedures in place for acquisition of formal tenders and quotes, ensuring they are in line with the Standing Orders and Financial Regulations which should be based on the latest version.

There is no record of any major purchase during the year that would require the production of formal tenders and quotes.

✓

2. Check there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments.

Whilst it is no longer a legal requirement for all payments to be authorised by at least two signatories before money is released, it is good practice to do so. This ensures public funds are safeguarded and does not put one sole authoriser in a vulnerable position. It is noted the payments are approved at council meetings, sometimes retrospectively due to time constraints.

x

	3. Check VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements There has been no VAT claim for reimbursement during this financial year due to not yet reaching the £100 minimum limit for claims.	n/a
	4. Where debit / credit cards are in use, establish the total monthly and individual transaction limits and ensure appropriate controls over physical security and usage of the cards are in place. **Comment:** Not used.	✓
C	**This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.**	
	1. Ensure authorities have prepared, and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc The minutes of the meeting held 19/05/2025 record approval of the council's Risk Assessment.	✓
	2. Ensure appropriate levels of insurance cover are in place for land, buildings, public, employers' and hirers' (where applicable) liability, fidelity / employees (including councillors) liability, business interruption and cyber security Insurance cover is with Zurich and specifically identifies the council's assets that are covered. The council's cover includes for employer's liability and public liability. There is no evidence of cyber security cover.	✓
	3. Ensure appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches: such reviews should be undertaken by appropriately qualified external inspectors or, if by officers or members, that they have received the appropriate training and accreditation	n/a
	4. Review the effectiveness of internal control carried out by the authority The minutes of the meeting held 19/05/2025 record the council's approval of the internal audit report for 2024/25 and that all recommendations be noted and implemented. The council has in place appropriate internal controls including Standing Orders, Financial Regulations and a Risk Assessment.	✓
D	**The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.**	
	1. Ensure the full Authority, not a committee, has considered, approved and adopted the annual precept for the coming year in accordance with the required parent Authority timetable At its meeting held 03/11/2025, the council considered the budget proposals and agreed the precept amount for 2026/27 of £6,495.	✓

	2. Ensure current year budget reports are prepared and submitted to Authority / Committees periodically during the year with appropriate commentary on any significant variances Budget reports are referred to each council meeting and a copy of the final budget report to 31/03/2026 has been provided to the internal auditor.	✓
	3. Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances The budget document referred to at (2) above notes progress and the percentage received / spent to date compared to overall budget.	✓
	4. Ensure the precept received in the accounts matches the prior year submission form to the relevant authority and the public record of precepted amounts The public record for 2025/26 shows precept amount of £5,776 which matches the amount received from Malvern Hills District Council and matches the minutes of the meeting held 04/11/2024 when a budget of £8,750 was agreed, of which £5,776 is precept.	✓
E	**Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.**	
	The parish council's income relies on the precept; it has little in the way of other income. It takes part in the county council's Lengthsman scheme and is reimbursed for payments made to the Lengthsman up to a budgeted amount set by the county council. The parish council makes no VATable supply.	✓
F	**Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for**	
	N/a	
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 Clerk's salary was reviewed during the year to take into account appropriate payment for hours worked. Payroll records are kept via the HMRC Basic Tools software which is managed by the Clerk, and a full record of RTI submissions is available for scrutiny; there are regular reporting and payment arrangements to HMRC regarding PAYE and NI. No pension scheme is provided. The council is registered with the Pensions Regulator and re-declaration of compliance was completed in October 2025. No council member receives a council allowance.	✓
H	**Asset and investments registers were complete and accurate and properly maintained.**	

	Tangible Fixed Assets**:* ***Comment- The parish council has limited assets recorded in its asset register. It would help to know the location of each asset. The minutes of the meeting held 03/11/2025, ref *8.11.25 Discussions on defibrillator* record references to two defibrillators but it is unclear if these are the two defibrillators that are included on the parish council's asset register.	x
	Borrowing and Lending: no loans on record.	n/a
I	**Periodic bank account reconciliations were properly carried out during the year.**	
	Periodic bank account reconciliations were properly carried out during the year (see objective A).	✓
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.**	
	The council's annual turnover is less than £200,000 and it has chosen to prepare the accounting statements on receipts and payments basis. The cashbook record is supported by the bank statements, invoices and receipts.	✓
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.**	
	Neither payments nor receipts totalled more than £25,000 during 2024/25, the parish council was therefore able to claim exemption and did so correctly.	✓
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.**	
	The Authority's website has been reviewed to see if all required documentation is published in accordance with the relevant legislation which includes- a. the Freedom of Information Act. To this end the parish council has adopted, and published on its website, the publication scheme in keeping with the ICO model. b. the Localism Act 2011 requires the online publication of each council member's Register of Interests. Some, but not all, are available on the Stoke Bliss PC website; if it is not possible to publish to the parish council's own website a clear link should be provided to the principal authority's (Malvern Hills DC) website which appears to be more current. c. The Accounts and Audit Regulations 2015 which require publication of the Annual Accounts and AGAR along with the annual internal audit report. d. The Transparency Code for Smaller Authorities 2014 which requires online publication, in addition to the requirements of the Accounts and Audit Regs,of- - All items of expenditure above £100 - List of councillor or member responsibilities - Location of public land and building assets - Minutes, agendas and papers of formal meetings.	✓ x ✓ ✓

	e. WCAG 2.2 AA website standards to ensure the website is secure, using HTTPS protocol and contains an accessibility statement. The statement needs to be updated to reflect the latest WCAG 2.2AA update.	✓
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 & Audit Regulations**	
	1. I have examined the online copy of the required "Public Notice" which clearly identifies the statutory 30 working day period for the exercise of public rights.	✓
	2. The relevant dates were recorded at the same time as approving the AGAR at the meeting held 19/05/2025.	✓
N	**The authority has complied with the publication requirements for 2024/25 AGAR.**	
	The statutory disclosure / publication requirements in relation to the prior year's AGAR have been met as detailed on the front page of the current year's AGAR. The statutory disclosures have been made online and within the set timeframe.	✓
O	**The authority has complied with laws, regulations and proper practices relating to digital and data compliance.**	
	NEW assessment this financial year which requires evidence of- • IT Policy (covering devices, access, passwords, email, website). • Data Protection and GDPR Policy (referred to as Privacy Policy) • Website Accessibility Statement. • Records Retention & Disposal Policy. **Comment:** The first three bullet points are met. The parish council is also expected to- 1. **Use official council email accounts** and secure systems (not personal or free mail services). 2. **Apply cybersecurity controls** (antivirus, encryption, backups, firewalls, strong passwords, MFA). 3. **Conduct staff and councillor training** on data protection and IT safety. 4. **Report and log data breaches**, with a clear escalation route to the Clerk and ICO. 5. **Review policies annually** and keeps version control notes for audit.	✓ ✓ ✓ X
P	**Trust funds (including charitable) - the Council met its responsibilities as a trustee**	
	n/a	

~End~
Gill Lungley, 29/04/2026

Additional documents-
1. AGAR Form 2, page 4 of 6, signed Annual Internal Audit Report (AIAR) 2025/26
2. Appendix A, Explanations for answering 'no' on the AIAR, reference objectives H.

Appendix A

Stoke Bliss Parish Council

Explanation for 'no' responses to the Annual Internal Audit Report 2025/26, AGAR page 4.

Internal control objective H
Asset and investments registers were complete and accurate and properly maintained.

'No' is ticked because-

Proper Practices state that ideally, the asset register should identify for each asset the purchase cost and, if practicable, the replacement/insured cost, the latter being updated annually and used to assist in forward planning for asset replacement.
The parish council has limited assets recorded in its asset register. It would help to know the location of each asset. The minutes of the meeting held 03/11/2025, ref *8.11.25 Discussions on defibrillator* record references to two defibrillators but it is unclear if these are the two defibrillators that are included on the parish council's asset register.

Gill Lungley
Internal Audit
29/04/2026