

BETLEY, BALTERLEY AND WRINEHILL PARISH COUNCIL

INTERNAL AUDIT REPORT – FINANCIAL YEAR 2024-25

The Internal Audit has been undertaken with reference to page 4 of the Annual Governance and Accountability Return 2024/25, and Section 4 of the Governance and Accountability for Smaller Authorities in England Practitioners Guide. The opinion formed during the Internal Audit is based on the evidence provided in the form of documents, accounts and receipts etc., in addition to consultation with the Clerk.

Area Covered	Observations	Recommendations
A. Appropriate accounting records	Accounting records are kept on a spreadsheet, referencing expenditure to minutes and budget headings. Supporting documents are kept digitally.	
B. Financial regulations, payment controls and VAT	Upcoming payments are itemised in the minutes and authorisation confirmed. Cashbook payments made are referenced to the minutes and approved. VAT claims for 30/6/23 to 31/3/24 and 1/4/24-30/9/24 were received in the year, suggesting claims are made on a timely basis. A sample of transactions were agreed to/from invoices. An error was made in calculating the reclaimable VAT element of mileage expenses. The Clerk now understands the rules on how this should be calculated, and an adjustment has been made, which will be included on the next claim.	
C. Risk management	A detailed risk assessment document which was prepared and reviewed in the year. A comprehensive insurance policy covers key assets, employer, libel and slander, and public liability insurance of £10m, which seems an adequate level of cover.	

	The minutes documented that assessments of risk are sought/made, re specific events/assets, and did not identify any unusual activity by the council.	
D. Budgetary process	Spend to date v annual budget is presented at meetings and minuted. Limited explanation of negative variances is minuted.	Giving more detailed explanation of variances should be considered.
E. Income controls	Changes to the precept for the coming year were discussed and approved in the minutes. Grants received were also noted in the minutes. It was noted that recommendations re 23/24 had been actioned.	
F. Petty cash	There were no petty cash transactions.	
G. Payroll controls	The clerk's salary is processed by Shires Pay Services, ensuring accurate calculation of net pay and tax and RTI filing with HMRC.	
H. Asset controls	The asset register was reviewed, and assets inspected in October 2024. Key assets are listed on the insurance policy.	Dates of purchase/disposal of assets, where possible, would make the register more useful.
I. Bank reconciliation	Bank reconciliations are done on a regular basis, presented at meetings and approved in the minutes. The cashbook reconciled to the bank statements at the year-end.	
J. Accounting statements	The financial statements are prepared on the correct basis and agree to the accounting records.	

K. Exemption from assurance review	The clerk supplied email evidence that AGAR Form 2 was initially sent to the Council for 23-24. However, Form 3 was required, and completed. A limited assurance review of the 23/24 AGAR was undertaken and completed 14/11/24, and published on the website 19/11/24.	
L. Website	Information required by the Transparency code for smaller authorities is available on the website.	
M. Exercise of public rights	The 2023/24 Notice of Public Rights was published on the website by the deadline.	
N. AGAR publication	The full 2023/24 AGAR was available on the website from 19/11/24. Individual pages had been uploaded 31/5/24.	