

REPORT BY INTERNAL AUDITOR

ANNUAL AUDIT 2024/25 AND OTHER MANAGEMENT MATTERS

BAVINGTON PARISH COUNCIL

BACKGROUND TO REPORT

Rather than repeat my detailed background to this Report I would recommend Councillors to refer to my comments as set out in my introduction to the Annual Audit Report for 2023/24 dated 27th April 2024.

For smaller Councils, where the higher of gross income or gross expenditure was £25,000 or less, that meet the qualifying criteria, can claim Exemption from a limited assurance review. In which case no external audit will be required but nevertheless a report from an independent Internal Auditor should still be commissioned to complete the relevant AGAR Form.

I have been advised the Council will make such a decision to Claim Exemption at its Annual Meeting to be held on 13th May 2025 and that the Annual Audit has to be submitted by 30th June 2025.

CARRYING OUT THE AUDIT

I discussed the audit with the Clerk by email and ZOOM at various times during the period 27th March 2025 and 1st April 2025.

I was advised that the Annual Exemption Certificate will be approved at the Parish Council Meeting held on 13th May 2025 and that the Annual Audit Return has to be submitted by 30th June 2025.

As the discussions took place over the internet I could not examine all relevant documents at first hand so my findings are based on a series of random selections.

Before turning to my review of the outgoing year a quick recap of the issues identified in my Audit for 2023/24.

MATTERS REQUIRING ATTENTION

- a) To show the split between the net amount paid and vat when reporting any payments to the Council.
- b) To make reference in the Minutes the power used when making any future donations.
- c) To consider a Grants Policy if the need arises.
- d) To monitor the level of Reserves in light of the Council's reasonably healthy balances.

Comment

- a) Whilst there was one invoice attracting vat (Spanglefish £108 which included vat) no split was shown. The actual vat paid was £18.
- b) Powers now shown in the Minutes
- c) See my comments elsewhere in this Report

d) See my comments elsewhere in this Report

BUDGET 2024/245

The out-turn figures for both receipts and payments were both within reasonable parameters of the original budget adopted by the Council at its Meeting held on 13^h November 2023.

Receipts

Other than the Precept, the main source of other receipts was VAT which amounted to £18.

VAT

I noted that there was one transaction which attracted vat. The correct amount of £18 will be recovered from HMRC in 2025/26.

I have asked the Clerk to ensure that her financial reports to the Council will show the vat paid on any invoices submitted.

I checked the invoice and vat charged on the one item and found the actual amount charged to be in order.

PAYMENTS

Invoices

I inspected all invoices received and referred to the Council for approval and found that they were in keeping with a previous authority to incur such expenditure.

Donations

I noted that 6 requests had been reported to the Council and that 3 donations had been agreed during the year and reported to the Parish Council Meeting held on 7th November 2024 (Minute No 2024/52/02).

I am aware that the Council resolved at its Meeting held on 2nd May 2024 not to have a Grants policy – I would suggest that this be reconsidered if the Council considers awarding grants in excess of £100 or more which appears to be the maximum currently on offer to applicants.

I have been advised that by custom and practice the Council considers grant applications once during a financial year.

END OF YEAR BALANCES

The balances to be carried forward from 2024/25 to 2025/26 are £1862.19 compared with £2,011.08 for the year ending 2023/24.

The balances equate to more than 12 months current running costs for the Council.

External audit guidelines for balances are usually under 12 months running costs unless major works etc are proposed or there is an element of ring fencing or carrying over involved.

WORKS UNDERTAKEN DURING 2024/25

None noted.

LONG TERM PLANS

I understand that currently there are no long term plans for any major projects in the Parish.

GENERAL MANAGEMENT MATTERS

PAYE

I understand that the Clerk's salary is subject to PAYE and administered via the HMRC Basic Pay Tools database.

2

EXPENDITURE GREATER THAN £100

These can be found in the Council's minutes.

INSURANCE

I note that the Council is now into its second year with its current Insurers.

Policy

I noted that the Council had considered the policy at its Meeting held on 6th February 2025 and had agreed that it was sufficient for its present needs. The Public Liability element of £10m and other insurance values is included in the Risk Assessment.

Minute No 2025/15 refers.

Policy to be reviewed in 2026

The Fidelity Guarantee Cover

I understand that the Fidelity Guarantee Cover under the new cover is £50,000 which is probably the Insurers minimum cover which is more than adequate for the Council's purposes.

Claims

I also understand that there were no insurance claims made by or against the Council in 2024/25

CLERK'S SALARY AND TERMS AND CONDITIONS

I noted that the Council at its Meeting held on 2nd November 2024 had "noted the NJC Pay scale increase for the Clerk with effect from 1st April 2024

TENDERS/QUOTATION

I understand that no other tenders or quotations had been sought during 2024/25.

BANKING ARRANGEMENTS

I understand that the Council banks with Lloyds. Monthly charges have been payable since March 2025.

Subject to receipt of the Bank Statement for period ending 31 March 2025 all transactions appear to have been accurately recorded during the year.

PETTY CASH

I was advised that no Petty Cash is held.

OTHER MATTERS

MINUTES

I carried out a random check on the minutes of a Meeting being signed and dated by the Chairman and found these to be in order.

POLICY STATEMENTS

Review of Internal Audit Controls

I noted that “Members considered the Statement of Internal Controls” at a Parish Council Meeting held on 6th February 2025 and agreed that the Internal Controls were sufficient for the present needs of the Council.

Minute No 2025/12 refers.

Risk Assessment (including Financial Risk Assessment)

I noted that “Members considered the Risk Assessment” at a Parish Council Meeting held on 6th February 2025 and that it was considered adequate for the present needs of the Council.

Minute No 2025/13 refers.

Asset Register

I noted that “Members considered the Asset Register” at a Parish Council Meeting held on 6th February 2025 and agreed this was a true record of its assets

For the purpose of this report I have assumed that no changes were made to the Register.

Minute No 2025/14 refers.

Code of Conduct

The Council has adopted the NALC Code of Conduct 2011

A NOTE ON THE 2025/26 BUDGET /PRECEPT PROCESS

Budget/Precept for 2025/26

This was considered at a Parish Council Meeting held on 7th November 2024

2024/54/03 Members are asked to approve budget requirements 2025-2026

RESOLVED:

Members approved the budget for 2025-2026.

2024/54/04 Members are asked to approve precept requirements 2025-2026

RESOLVED:

Members approved the precept for 2025-2026, to be retained at the current level of £1600.

For comparison purposes the Council Tax Base and Council Tax Band D amounts for 2024/25 and 2025/26 are as follows:-

2024/25

The Precept was agreed at £1600

Resulting in a Band D figure of £32.92

2025/26

The Precept was agreed at £1600

Resulting in a Band D figure of £32.52 (a slight decrease)

Code of Conduct

The Council has adopted the NALC Code of Conduct 2011

MATTERS REQUIRING ATTENTION

a) To continue to monitor the level of Reserves in light of the Council's continuing healthy balances.

THE RESPONSE TO THE AUDIT FOR 2023/24

Following a detailed discussion with the Clerk, and having reviewed a range of documents and other records, I came to the conclusion that I could response **YES or NOT COVERED** where appropriate to each of the objectives identified by the external Auditor.

As requested on the Annual Internal Audit Report 2024/25 I would comment on the NOT COVERED boxes as follows:-

As to Box L

I have ticked the yes box against objective I as whether the council does ,or does not certify itself as exempt from a limited assurance, it does however still comply with all the requirements of the code and that I have been advised that all the relevant information is available on the council's website.

i have carried out a random check on the Council's website and found that the information i was looking for was available.

QUALIFICATIONS ON THE AUDIT

My report is based on a limited review of the Council's accounts and is not a full audit and should not be taken as approving the Council's accounts 2024/25.

The purpose of this report is to be satisfied that the Council has adequate systems in place to meet the numerous control objectives sought by the External Auditor and to recommend possible improvements to the Council's existing systems.

M. G. Ackroyd
Internal Auditor

April 2025