

Annual Internal Auditor's report 2024/25 Brightwell-cum-Sotwell Parish Council

Internal Auditor: Deborah O'Brien CiLCA PIALC

Smaller authorities are required by the Accounts and Audit Regulations 2015 to 'undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

In accordance with guidelines contained in the 2024 Practitioners' Guide (JPAG) paragraphs 4.6-4.12, I am independent of the Parish Council and its members as well as being a CiLCA qualified Clerk with over 10 years' experience.

The process of Internal Audit is not meant to be burdensome or onerous upon the Parish Council. It is required to ensure that the Council is following legislation and best practices in accordance with the responsibility of administering public money received in the form of the Precept. The function of this internal audit is to improve efficiency and effectiveness of the Council's procedures, not to detect errors or fraud, as the management of the Council's internal controls is a function of the Council as a whole. (Practitioners' Guide, paragraphs 4.4-4.5).

I have carried out a selective assessment of the Council's compliance with relevant procedures and controls, which I expected to be in operation during the year ended 31st March 2025, as outlined in the letter of engagement signed by the Council at its 15th October 2024 meeting.

This internal audit has been conducted electronically utilising requested documents provided by the Clerk, as well as those present on the website at [Brightwell cum Sotwell Parish Council](#). In addition, a Zoom meeting was held on 9th June 2025 to review this report.

Overall, the standard of management and governance processes is good, with some issues highlighted below for the attention of the Parish Council. I would like to thank the new Parish Clerk/RFO, Jeanette Gray for her cooperation and assistance in facilitating this internal audit. I would also like to thank Cllr Janet Harding for attending the zoom meeting and giving valuable input.

Internal Audit report assertions

A. Appropriate accounting records have been properly kept throughout the financial year.

- Prior year's cashbook balance has been correctly brought forward.

- Appropriate accounting records have been kept throughout the year with monthly reviews of bank reconciliations made by the finance councillor. Budget and financial position are reviewed regularly by full council and minuted. Cashbook also records CIL income & expenditure.
- It was noted that the Council plans to consider accounting software, which was recommended last year to facilitate reports.
- Minutes for the year are complete and have been signed/initialled as approved by the Chairman of the ensuing meeting.

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

- The council's Financial Regulations and Standing Orders are in place and were last reviewed in 2023. Revised updates for Financial Regulations have been issued by NALC (May 2024 and March 2025) and should be reviewed and adopted when practical.
- NALC has also issued (April 2025) updated Model Template Standing Orders 14 (Code of Conduct) and 18 to reflect the changes made to Financial Regulations, and I would recommend reviewing and adopting these when practical. A review of Financial Regulations and Standing Orders should be made annually to ensure that they are current with legislation.
- A random sample of 20% of financial transactions was examined in detail. I was able to view the requested documents; however, no documentation was available for the £500 grant made to the Church in June 2024. It was minuted as approved, but no documents were kept on file. It is important that invoices and/or supporting documentation are maintained, particularly with a view to audit and electors' rights to inspect. I was able to confirm an audit trail via bank payments. Minutes now contain more detail relating to expenditure.
- There is a column in the accounts for S137 expenditure, as required, but the payment made in October 2024 for a poppy wreath was not allocated to it when this is the only power permitted for such expenditure.
- As reported last year, the Council is processing invoices for the Village Hall & Jubilee Hall projects and making payments from CIL monies. The Parish Council is trustee to the Jubilee Hall, but not the Village Hall. The Parish Council has in place a policy 'Procedure for PC to make 3rd party payments and reclaim VAT'. (Not on website) This relates to payments made using CIL monies and whether or not VAT is reclaimable. I would again recommend when considering such an activity, that it is advisable to take sector-specific professional/legal VAT advice.
- Payments are presently made by BACS, approved and minuted prior to payment.
- 3 Councillors are signatories on the banking mandate.

- A council debit card is in place and a debit card policy was adopted March 2025.
- C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.**
- The Council reviews its internal controls regularly.
 - **A new Risk Management policy was reviewed and adopted in May 2023. However, I could not find any minuted evidence of this being reviewed again within the 2024/25 financial year, as required.**
 - Insurance was renewed at the Sept 2024 meeting, with the asset register being reviewed in July 2024 and the fidelity insurance increased to cover cash held. Public and Liability insurances are adequate. It is recommended that all insurance coverage is reviewed against asset registers and cash balances annually.
 - I would recommend that the Parish Council keeps on file copies of public liability certificates and risk assessments for its contractors providing repairs and maintenance.
 - Play area apparatus is inspected weekly and documented by councillors and annual inspections are conducted by RoSPA. Other assets are checked or inspected regularly. A play area risk assessment should be conducted.
 - It is also recommended that risk assessments are regularly conducted and kept on file for all Council activities and facilities.
- D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.**
- The 2024/25 budget was reviewed and adopted at the 21 Nov 2023 meeting. The 2024/25 precept was agreed at the 19 December 2023 meeting in the amount of £42,000.
 - The 2025/26 budget was reviewed and adopted at the 19 Nov 2024 meeting. The 2025/26 precept was agreed at the 10 December 2024 meeting in the amount of £45,000.
 - Progress against the budget is monitored and quarterly reports submitted to full council at a meeting. These are minuted and signed.
 - A reserves policy has now been developed and was approved at the April 2024 meeting.
 - An investment strategy policy has been developed and was approved at the July 2024 meeting.
- E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.**
- The correct precept amounts were received and match the government's national parish data report.

- In addition to the precept, the council received a devolved services grant of £1,295 from South Oxfordshire Council, and bank interest in the amount of £3,984 and some smaller grants. CIL income of £44,505 was also received and CIL reports need to be completed.
- VAT claims were made regularly, with £4,235 received in January 2025.

F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.

- Not applicable – no petty cash held.

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.

- The sole employee is the Clerk/RFO who has the NALC model contract. Payroll is administered via HMRC Basic Tools/RTI.
- The Council is registered with HMRC as an employer. Payments in respect of PAYE were verified, and a zero-balance due at year-end. (Online HMRC statement & P60)
- The current hourly rate of pay is based upon the 2024/25 National Salary Award. The latest NALC/SLCC pay scale amendments (issued November 2024) were applied and back pay made.
- Sample payslips were reviewed and bank statements compared to the cashbook.
- No working from home allowance is paid.
- Line 4 Staff costs reconciles to cashbook.
- The Council is registered and in compliance with the Pensions Regulator – a re-declaration was made in April 2025.
- I would recommend that the Council facilitates membership of SLCC for the Clerk as this would be beneficial for training and support.

H. Asset and investment registers were complete and accurately and properly maintained.

- The asset register is regularly updated and reviewed annually. Assets are declared at purchase cost.
- The Council does not have any loans.

I. Periodic bank account reconciliations were properly carried out during the year.

- Monthly bank reconciliations are made to the statements, reviewed and signed by a councillor.

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.

- Accounting statements were prepared on receipts & payments basis.
- Line 2 matched the precept amount.
- Lines 2 & 3 equal the total receipts in the cashbook.
- Line 4 only contains staff costs.
- Lines 4, 5 & 6 equal the total payments in the cashbook.
- Year-end bank statements match line 8 of the Accounting Statement.
- Line 9 agrees to the value of the asset register.

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.

- The council exceeded the £25,000 threshold and therefore did not claim exemption.

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 maintains a website which is regularly updated.
- The council is above the £25,000 threshold and is not subject to the [Transparency Code for Smaller Authorities 2015](#). However, it is best practice to publish as much information as possible in the interests of transparency.
- The council is in compliance with [The Accounts & Audit regulations 2015 regulation 13](#) (Five years of AGARs and associated documents published).
- [The Public Sector Bodies \(Websites and Mobile Applications\) Accessibility Regulations 2018](#) requires that public sector bodies must comply with the accessibility requirement. Following the 2022/23 IA, the Council has taken the view that compliance would place a disproportionate burden on it and has made a statement (23/9/23) to that effect. This statement does not appear to have been reviewed since that date. Legislation was updated in October 2024, and, for 2025/26, Practitioners' Guide paragraph 1.49 states: All websites must meet the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 (where applicable). A summary of the changes and the guide itself can be viewed at [Practitioners' Guide 2025](#). I would recommend referring to [Sample accessibility statement \(for a fictional public sector website\) - GOV.UK](#).
- All published documents dated after 23 September 2018 and created by the Council should be in an accessible format and where these are PDFs should be

PDF/A created with header bookmarks within the document. Assistance with this can be found at [Creating Accessible Documents | AbilityNet](#).

- The Parish Council is registered with the ICO as a Data Controller – see [Information Commissioner's Office - Register of data protection fee payers - Entry details](#), and it has Published the ICO's model Information Scheme, but this needs to be updated to reflect the new Clerk's name and contact details. There is no obligation for a PC to have a Data Protection Officer. (NALC LTN38 page 15)

M. In the year covered by the 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?*)

- The council published the dates of Wednesday 26 June – Wednesday 7 August 2024 (31 working days), however, these were not minuted as agreed at the 11 June 2024 meeting. The announcement was made 26 June 2024 which does not meet the requirements of publishing the information at least one day in advance. These dates exceed the 30 working days requirement and contravenes Accounts & Audit regulations 2015, part 15(3). The External Auditor commented on this in their "Certificate & Report" and has instructed that answer to assertion 4 of the Governance Statement should be a 'No'. The EA also commented that the name of the person publishing the Electors' Rights should be entered at 5(e). The External Auditor also commented upon the time between approval of accounts & governance statements at the 11th June meeting and the commencement of public rights. I would recommend that the Council records the dates for Public Rights in its meeting minutes.

N. The authority has complied with the publication requirements for 2023/24 AGAR (*see AGAR page 1 Guidance Notes*)

- The council complied with this requirement. However, although the External Auditor's report was published, I could find no minuted review of the report being presented to the full Council. I would recommend that this is done indicating any actions to be taken as a result of the External Auditor's report.

O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.

- The Council is Trustee for the Jubilee Pavilion and Recreation Ground. Bank accounts are separate. The Charity Commission website confirms that reporting is up to date.

Other matters not covered above:

- It is noted that the Parish Clerk's e-mail address is a googlemail.com. I would recommend that the Clerk's email address also uses the BCS domain extension, as used by Councillors. As of April 2025, Practitioners' Guide stipulates: Email management - Every authority **must** have a generic email account hosted on an authority owned domain, for example clerk@abcparishcouncil.gov.uk or clerk@abcparishcouncil.org.uk rather than abcparishclerk@gmail.com or abcparishclerk@outlook.com.
- I would also recommend that the Council reviews the 2025 edition of Practitioners' Guide, as it contains new requirements and guidance which will affect the 2025/26 audit, in particular relating to 'Digital & Data Compliance' and the requirement for an IT policy.
- "Succession planning:" As commented in previous years, it is a statutory requirement that the Chairman of the Parish Council is formally elected at the Annual Parish Council meeting in May every year. (May 2025 minutes reflect that a Chairman was elected as required, but not in May 2024).
[https://www.legislation.gov.uk/ukpga/1972/70/section/15 para 1-4](https://www.legislation.gov.uk/ukpga/1972/70/section/15/para 1-4)
At that time their acceptance of office must be signed, and this should be minuted. [Local Government Act 1972 sched 83 \(4\)](#). If a Chairman steps down during the year, then at the next meeting a new Chairman must be elected and their acceptance of office signed. If this is not done, then the Council has no Chairman. Please also refer to your Standing Orders paragraph 5(e). Succession planning is not relevant in legislation. If the Council wants to split the position into 2 six monthly segments, I recommend that it does so at the beginning of the municipal year – May, and again in November, with a formal election of the Chairman as the first order of business on each occasion.
- The prepared AGAR Governance Statement has been pre-populated when the assertions should be considered following review of the Internal Audit report and, bearing in mind, the External Auditor's comments from last year. I would recommend presenting a non-populated Section 1 at the Council's approval meeting.
- I have now conducted Internal Audits for Brightwell-cum-Sotwell for three years, and I would recommend that the Council reviews its audit provision and obtains 3 quotes for the role in accordance with Financial Regulation 10.3.

This report plus the signed AGAR internal audit report should be presented to the full council at its next meeting for review and approval. Where appropriate, a plan of action should be developed to address any highlighted issues. This should be minuted.

If you have any questions, please do not hesitate to ask.

Deborah O'Brien CiLCA PIALC

9th June 2025