

Kim Squires Internal Audit Services

52 HANDSACRE COURT
CANON LANE
RUGELEY
STAFFORDSHIRE
WS15 1PQ

The Chairman
Barton under Needwood Parish Council
Village Hall
Crowberry Lane
Barton under Needwood
DE13 8AF

21 May 2025

Dear Councillor

Conclusion of Internal Audit of your Parish Council for the year ended 31st March 2025

Following the completion of my work for the above year we are writing to inform the Council that having carried out the year-end review I have been unable to sign the Annual Governance and Accountability Return Form 3 (AGAR) without any qualification. Please see the enclosed "Explanation of 'NO' responses" document.

The independent internal examination of the Councils governance, financial affairs and certification of the 2024-25 AGAR to the External Auditor was carried out in accordance with the standards laid out in the Accounts and Audit Regulations, 2015 and embodied in the Joint Panel on Accountability and Governance Practitioners Guide March 2024.

In summary, we covered the following areas in our examination:

- Proper Bookkeeping
- Financial Regulations, Standing Orders and Payment Controls
- Risk Management and Insurance arrangements
- Budgetary Controls
- Income Controls
- Payroll Controls
- Asset Control
- Bank Accounts and Reconciliation
- Year End Procedures.
- Charitable Trusts (when appropriate)

We have carried out a review of your web site to evaluate its conformance to the Local Government Transparency Code 2015 which is to be viewed as a minimum standard. We confirm your web site meets this requirement.

We carried out two reviews during the fiscal year and were accorded with full co-operation by your Clerk. Any issues which we raised with the Clerk during the conduct

of our work have either been satisfactorily rectified or are noted below. I commend the quality of record keeping and organisation.

A copy of our Annual Internal Audit certification (page 3 of the AGAR) for 2024-25 is attached.

We would wish to draw your attention to the "Publication Requirements" on page 1 of the AGAR.

We would also wish to draw your council's attention to the following:

1. We note that your general reserves cover (after the exclusion of properly voted earmarked funds of £67,240) is 0.86 years. We consider this to be a comfortable level of general reserves balance at the year end.

In respect of the new Council year we make the following additional observations and recommendations for your consideration:

1. We recommend that during the fiscal year your council should review the Risk Assessment to ensure that it still reflects the current environment. Your council should then minute its ratification;
2. During the fiscal year your council should review your Standing Orders and Financial Regulations to ensure that they still reflect the current environment. Your council should then minute that ratification. Please note that it is important that your Financial Regulations meet the standard set by those published by the National Association of Local Councils ("NALC"). New Model Financial Regulations templates were produced by NALC during April 2025. These new templates are a major rewrite of the previous (2019) version and contain a number of important legal changes. We strongly recommend that your Council considers the changes made but, rather than trying to embody them into your existing regulations, you should adopt (with suitable tailoring as recommended within the template) and embrace the new version as the Council's on-going Financial Regulations. We shall base our future internal audit plans on the version of the regulations ratified by your council. As the External Auditor will always base their audit on the version considered extant by NALC it is important that you are always closely in line with the NALC template;
3. Copies of your current Standing Orders, Financial Regulations, Risk Assessment and Publication Scheme should be displayed on your councils web site and must show the latest date of revision and ratification;
4. You are reminded that when the council discusses, amends or ratifies significant documents copies should be made available on your web site for members of the public to view. These documents should be either appendices to published minutes and agenda papers or as separate documents on the web site (preferably with a hypertext link to facilitate ease of searching);
5. You must discuss the appointment of your internal auditor and ratify and minute the appointment during the current financial year. We were pleased to have been your internal auditor during 2024/25 and offer ourselves for re-appointment. You may use either our company name (Kim Squires Internal

Audit Services) or refer to Kim Squires by name in the minutes. An updated summary of the service offered is attached. Please note, that if accepted, this constitutes an ongoing contract, renewable annually by resolution of the Council;

6. If your council wishes to carry forward earmarked funds at the year-end these must have been ratified by your council. This is best done at the time you draw up the next budget or at final meeting of the fiscal year.

It is your Council's responsibility to note these comments and to consider what action should be taken.

We would take this opportunity to remind you that when the AGAR comes back from the External Auditor you do have a duty to display the accompanying notice of Completion of Audit on each of your usual notice boards and on your council's website.

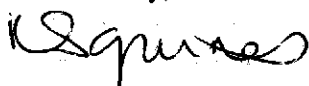
The complete AGAR and any auditor's comments or qualifications should also be displayed on your website to allow electors to see the complete form and read the External Auditors comments if they wish to do so.

In accordance with Regulation 13 (of the Audit and Accounts Regulations), after the conclusion of the period for the exercise of public rights, the authority must publish (including on its website) the annual governance statements, statement of accounts, and the external auditor's certificate and report – Sections 1, 2 and 3 of the Annual Governance and Accountability Return. Authorities must keep copies of these documents for purchase by a person at a reasonable sum and ensure that they remain available for public access for 5 years

Please do remember to retain a copy of the notice on file as proof that you have followed the requirements of the Local Government Act. You should also minute the External Auditors approval of the AGAR and any qualification or comments made and resolve to take action where necessary.

We will make our next visit in October/November but please do not hesitate to contact me should you require advice in the meantime.

Yours sincerely,



Enc.

IA report

Invoice

Proposal for internal audit 2025/26

Annual Internal Audit Report 2024/25

Barton under Needwood

ENTER PUBLIC ADDRESS www.bartonunderneedwood-pc.gov.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

13/11/2024

20/05/2025

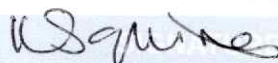
DD/MM/YYYY

Name of person who carried out the internal audit

Kim Squires

NAME OF INTERNAL AUDITOR

Signature of person who carried out the internal audit



REQUIRED

Date

21/05/2025

***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).

Barton under Needwood Parish Council

Annual Internal Audit Report 2024/25

This document is a supplement to page 3 of 6 of the Annual Governance and Accountability Return (AGAR) 2024/25, Form 3 and is intended to be read and published with that document. Copies of this document must be displayed with the AGAR and forwarded to the External Auditor.

Internal Control Objective	Response	Reason for 'No'/Not covered response
A Appropriate accounting records have been properly kept throughout the financial year.	YES	
B This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	NO	An item was purchased and installed without following a proper procurement process and without the knowledge and approval of the full council. An independent investigation found shortfalls within the system and safeguards have been recommended to ensure that a repetition of this does not occur. I recommend that this incident is reported to the Monitoring Officer.
C This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	YES	
D The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate	YES	
E Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for	YES	
F Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for	NOT COVERED	No petty cash kept
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.	YES	

H Asset and investments registers were complete and accurate and properly maintained	YES	
I Periodic bank account reconciliations were properly carried out during the year.	YES	
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.	YES	
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")	NOT COVERED	The authority had a limited assurance review
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.	YES	
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).	YES	
N The authority has complied with the publication requirements for 2023/24 AGAR.	YES	
O (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	N/A	

Kim Squires
Internal Auditor



Kim Squires Internal Audit Services

52 HANDSACRE COURT
CANON LANE
RUGELEY
STAFFORDSHIRE
WS15 1PQ

Proposal to provide Independent Internal Audit Services to Barton under needwood Parish Council.

We will carry out an independent examination of the 2025/26 Annual Return to the Audit Commission in accordance with the standards laid out in the Accounts and Audit Regulations, 2020 and embodied in the Smaller Authorities Proper Practices Panel (SAPPP) Practitioners Guide (England) March 2025. We consider these standards to be the minimum requirements and always attempt to exceed them in our examination.

In summary, we would expect to cover the following areas in our examination:

- Proper Bookkeeping
- Financial Regulations, Standing Orders and Payment Controls (including VAT)
- Risk Management and Insurance arrangements
- Budgetary Controls
- Income Controls
- Petty Cash Procedures (where applicable)
- Payroll Controls
- Assets Control
- Bank Accounts and Reconciliation
- Year End Procedure
- Transparency Code and website compliance

We will also offer advice where we identify working practices can be improved.

Our work will be carried out by myself but we do reserve the right to seek technical advice elsewhere if there is a need. In cases where a need arises, our questions will be in confidence and any costs will be within the fees we agree or notified and agreed with you in advance.

You will be aware that we already carry out similar services for a number of varied councils ranging from those with turnover of less than £10,000 to those with turnover in excess of £200,000. I am a full member of the Internal Auditors' Forum (IAF), a professional body that works to create the highest standards of Internal Audit and works closely with both National Association of Local Councils (NALC) and SAPPP. I have previous experience as a Parish Clerk to a medium sized Parish Council and further 'locum' work trouble-shooting for a number of Councils. I have almost twenty years of experience in Local Government following a 25 year teaching career.

In carrying out the audit work, we will normally make at least two visits to your offices during the audit year (this being the minimum requirement under the SAPPP regulations). An interim visit, usually made around October/November, to carry out a detailed examination of your procedures and do sample checks on transactions based on your current risk assessment and to verify the veracity of your precept calculations. This visit also satisfies the SAPPP recommendation to collect data during the year.

A final examination visit would then sign off the Annual Return having first verified the accounts and supporting schedules. An annual report letter is sent to your Council following the final examination. Any issues that are identified during the interim visit(s) would immediately be documented and communicated to you, as Clerk/RFO, for action prior to the final examination.

For the work likely to be involved in clearing the Annual Return this fiscal year, we undertake that our normal fee will not exceed £215 plus any travel and out of pocket expenses (see below). This estimate is based on our understanding of the 2024/25 expenditure and precept and on the understanding that there are no major issues carried over from the current or last year. It also assumes that you will have balanced and fully reconciled the accounts before we undertake the final examination and that you will be making a Form 3 Annual Governance and Accountability Return. Please bear in mind that you will not be billed for this work until after the start of the 2026/27 fiscal year.

Expenses will only be charged as incurred and any car mileage will be at the recommended HM Revenue and Customs rate.

If accepted by the Council, the above proposal constitutes an ongoing contract, renewable by resolution of the Council each year. If the Council seeks advice relating to the current year before extending the contract, it will be assumed that the Council intends to renew the contract. If the Council does not resolve to extend the contract, a commensurate fee will be charged for work arising from any advice sought. Fees will increase in line with the RPI, and rounded to the nearest 50p, at 1st July annually.

We trust the above will meet with your Council's approval and remind you that must discuss the appointment of your independent internal auditor and ratify and minute the appointment during the current financial year.

I confirm that we are an independent company with no links, familial or otherwise, to the Council.

Kim Squires