

**BETLEY, BALTERLEY AND WRINEHILL PARISH COUNCIL**

**FINANCE AND AUDIT COMMITTEE  
(Inaugural Meeting)**

**11th April 2024**

**Commenced: 6.40 pm**

**Terminated: 7.10 pm**

**Present: Councillors Berrisford, Bettley-Smith, Daly and Watkin**

**Apologies for  
Absence: Councillor Karling**

**1. APPOINTMENT OF CHAIR**

**RESOLVED**

**That Councillor Watkin be appointed Chair of this Committee.**

**2. APPOINTMENT OF DEPUTY CHAIR**

Members did not want to appoint a Deputy Chair for this meeting.

**RESOLVED**

**That the report be noted.**

**3. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillor Karling.

**4. AGAR 2023-2024**

Members considered the attached AGAR Documents that had been verified by the External Auditor, together with an Action Plan for Improvements for 2024-2025.

**RECOMMENDED**

- (i) That the signed Annual Internal Auditor Report 2023-2024, as attached to these Minutes on page 3, be received;**
- (ii) That Section 1 of the Annual Governance Statement for 2023-2024, as attached to these Minutes on page 4, be approved;**
- (iii) That Section 2 of the Annual Governance Statement for 2023-2024, as attached to these Minutes on page 5, be approved;**
- (iv) That the detailed Internal Audit Report for 2023-2024, as attached to these Minutes in pages 6-8, be received;**
- (v) That the additional Audit Statement from the Internal Auditor, as attached to these Minutes on page 9, be received;**
- (vi) That the Action Plan as attached to these Minutes in pages 10 and 11, be approved.**

**5. BUDGET EXPENDITURE REVIEW 2023-2024**

Members considered the Budget Income and Expenditure in 2023-2024 and made no recommendations at this stage for any amendments to the Budget planning for 2024-2025.

**RESOLVED**

**That the Budget Allocations to be reviewed on a quarterly basis.**

**6. PARISH COUNCIL INSURANCE**

Members considered the existing Parish Council insurance to ensure that it continued to meet the needs of the Parish Council.

**RESOLVED**

**That the insurance policy be further considered in July, to ensure that the purchases made over the course of the year are adequately covered.**

**7. REVIEW OF THE EFFECTIVENESS OF THE PARISH COUNCIL**

Members considered a review of the effectiveness of the Parish Council during 2023-2024 and made recommendations for improvements for 2024-2025.

**RESOLVED**

- (i) That a recommendation be made to the Parish Council to reduce its meetings to four per year, including the Annual Meeting of the Parish Council held in May.**
- (ii) That the Finance and Audit Committee meets on a monthly basis, with the exception of August and December;**
- (iii) That a recommendation be made to the Parish Council to establish a Planning Committee that meets on a monthly basis, with the exception of August and December.**

**8. URGENT ITEMS**

The Chair reported that there were no items that required consideration as a matter of urgency.

# Annual Internal Audit Report 2023/24

## BETLEY, BALTERLEY AND WRINEHILL PARISH COUNCIL

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During the financial year ended 31 March 2024, 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 2023/24 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	No response
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 expenditures were 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 receipt 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 reconciled.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2022/23, it met the exemption criteria and a correctly declared that exempt. (If the authority had a limited assurance review at its 2022/23 AGAR that was 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 2023-24 AGAR period, were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and/or authority approval minutes containing the dates set).	✓		
N. The authority has complied with the publication requirements for 2022/23 AGAR (see AGAR Page 1 Governance Notes).	✓		

	Yes	No	No response
D. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

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

05/04/2024

Name of person who carried out the internal audit

J. CLARKSON

Signature of person who carried out the internal audit

*J. Clarkson*

Date

05/04/2024

If the response is 'no' please state the implications and action being taken to address any weaknesses 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).

## Section 1 – Annual Governance Statement 2023/24

We acknowledge as the members of:

### BETLEY, BALTERLEY AND WRINEHILL PARISH COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2024, that:

	Agreed		Yes means for this authority
	Yes	No	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public's money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any (legal or) liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable, in our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓

\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

20/03/2024

and recorded as minute reference:

AGM 2024

Signed by the Chair and Clerk of the meeting where approval was given:

Chair

ADAM WILSON

Clerk

DEBORAH WILSON

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## Section 2 – Accounting Statements 2023/24 for

### BETLEY, BALTERLEY AND WRINEHILL PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2023 £	31 March 2024 £	
1. Balances brought forward	18,142	23,871	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	17,204	18,568	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	5,871	13,347	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	5,582	7,748	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	11,764	24,520	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	23,871	23,520	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6)
8. Total value of cash and short term investments	23,871	23,520	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	24,852	24,852	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)		✓		The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			✓	The figures in the accounting statements above exclude any Trust transactions.

I certify that for the year ended 31 March 2024 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

\_\_\_\_\_  
 Date

I confirm that these Accounting Statements were approved by this authority on this date:

as recorded in minute reference

Signed by Chair of the meeting where the Accounting Statements were approved

\_\_\_\_\_  
 Signature Required

**BETLEY, BALTERLEY AND WRINEHILL PARISH COUNCIL**  
**INTERNAL AUDIT REPORT – FINANCIAL YEAR 2023-24**

The Internal Audit has been undertaken with reference to page 4 of the Annual Governance and Accountability Return 2023/24, 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. For the latter part of the year supporting documents have been kept digitally.	
B. Financial regulations, payment controls and VAT	Payments are itemised in the minutes and authorisation confirmed. Cashbook payments are referenced to the minutes. There was inconsistent recording of VAT in the cashbook early in the year, with only one item tying up to the 1/1/23-30/6/23 VAT claim form. A claim for 30/6/23 to 31/3/24 was being prepared at the time of audit. A sample of transactions were agreed to/from invoices.	VAT on invoices should be recorded in the cashbook consistently to ensure all VAT is reclaimed.
C. Risk management	The risk assessment document states that it was last reviewed in 2018. A comprehensive insurance policy covers key assets, employer, libel and slander, and public liability insurance of £10m, which seems an adequate level of cover. A review of the minutes did show some assessments of risk are sought/made, re specific events/assets, and did not identify any unusual activity by the council.	A comprehensive review of the risk register should be undertaken.

D. Budgetary process	Spend to date v annual budget is presented at meetings and minuted. A high-level explanation of year-end variances was minuted.	
E. Income controls	<p>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 receipts in the cashbook are not referenced to the minutes.</p> <p>Two low value receipts, early in the year, could not be backed up by documentation. It was therefore impossible to know if these should be treated as income, or netted off an original expense.</p>	<p>All income should be easily identifiable and referenced in the cashbook to any supporting documentation. Anonymous donations should be recorded as such.</p>
F. Petty cash	There were no petty cash transactions	
G. Payroll controls	<p>The clerk's salary is processed by Shires Pay Services, ensuring accurate calculation of net pay and tax and R11 filing with HMRC.</p> <p>It was decided during the year that authorisation of payments to HMRC may need to be done prior to meetings to ensure timely payment.</p>	
H. Asset controls	<p>The asset register was reviewed in October 2023, with amendments made to bring it up to date. Key assets are listed on the insurance policy. The state of some assets was discussed in the minutes, but no formal inspection of all assets was evidenced.</p>	
L. Bank reconciliation	<p>Bank reconciliations are done on a regular basis, presented at meetings and approved in the</p>	

	minutes. The cashbook reconciled to the bank statements at the year end.	
I. Accounting statements	The financial statements are prepared on the correct basis and agree to the accounting records. An assumption has been made that the small credits noted above, are income, not refunds.	
K. Exemption from assurance review	Although the council fulfilled the criteria to declare itself as exempt in 22-23, the Certificate of exemption was not available in hard copy or published online. The published Exercise of public rights states that the exemption was in place for the year, and the clerk supplied email evidence that AGAR Form 2 was initially sent to the Council for 23-24, on the assumption that there were no changes in circumstances.	
L. Website	Most of the information required by the transparency code for smaller authorities is available on the website.	Although the current year requires Form 3, Form 2 does require the publication of the Certificate of exemption, not a statement re this. Ensure all necessary documents are available going forward Please review all requirements under the code, and make the additional disclosures going forward.
M. Exercise of public rights	The 2022/23 Notice of Public Rights was published on the website by the deadline.	
N. AGAR publication	Not all pages of the 2022/23 AGAR are available on the website. (see notes K/L)	

Prepared by Jo Clarkson FCA, Davenport Accountants Ltd.

05/04/2024



Betley, Balterley and Winehill Parish Council  
Annual Governance and Accountability Return (AGAR) 2023/24  
Annual Internal Audit Report 2023/24

Internal control objective column 'No' - implications and actions

Points B., D. Incomplete VAT record and document retention, early 2023, could have led to underclaimed VAT and nil net effect overstatement of income and expenditure. Actions taken by new Clerk to keep proper financial records.

Point C. Current risks may not be identified/addressed. An up-to-date and comprehensive Risk Register is to be produced, and annual reviews put in place.

Point L. Non-compliance with publication regulations (22/23). New Clerk to adhere to publication requirements.

J Clarkson FCA  
Davenport Accountants Ltd  
5/4/2024

**Annual Governance Statement 2023-2024**

**Explanation for all Statements to which the Response is 'No'**

**REVIEW OF 2023-2024 AND ACTION PLAN FOR 2024-2025**

<b>Statement</b>	<b>Internal Auditor Review and Recommendation 2023-2024</b>
<p>B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for</p>	<p>Payments are itemised in the minutes and authorisation confirmed. Cashbook payments are referenced to the minutes. There was inconsistent recording of VAT in the cashbook early in the year, with only one item tying up to the 1/1/23-30/6/23 VAT claim form. A claim for 30/6/23 to 31/3/24 was being prepared at the time of audit. A sample of transactions were agreed to/from invoices.</p> <p>VAT on invoices should be recorded in the cashbook consistently to ensure all VAT is reclaimed.</p> <hr/> <p><b>Parish Council Action 2024-2025</b></p> <p>To ensure that all transactions are electronically recorded, together with all documents relating to the Parish Council, to ensure a thorough audit trail.</p> <p>[The VAT period 1/1/23-30/6/23 was before the appointment of the current clerk]</p>
<b>Statement</b>	<b>Internal Auditor Review and Recommendation 2023-2024</b>
<p>C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.</p>	<p>The risk assessment document states that it was last reviewed in 2018. A comprehensive insurance policy covers key assets, employer, libel and slander, and public liability insurance of £10m, which seems an adequate level of cover. A review of the minutes did show some assessments of risk are sought/made, re specific events/assets, and did not identify any unusual activity by the council.</p> <p>A comprehensive review of the risk register should be undertaken.</p>
	<p><b>Parish Council Action 2024-2025</b></p> <p>A comprehensive review of the risk register will be undertaken on an annual basis. This will be Minuted.</p> <p>A Calendar of Administrative Activities will be introduced including the following:                      Precept: November;                      AGAR – March;                      Standing Orders – May;                      Risk Register – September (Testing of Installation);                      Asset Register – September.</p> <p>[Risk and risk assessments have been considered annually since 2018 but there have been no changes. Any new activities, such as the footpaths initiative, were risk assessed separately at the time.]</p>

<b>Statement</b>	<b>Internal Auditor Review and Recommendation 2023-2024</b>
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for	<p>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 receipts in the cashbook are not referenced to the minutes. Two low value receipts, early in the year, could not be backed up by documentation. It was therefore impossible to know if these should be treated as income, or netted off an original expense.</p> <p>All income should be easily identifiable and referenced in the cashbook to any supporting documentation. Anonymous donations should be recorded as such.</p>
	<b>Parish Council Action 2024-2025</b>
	<p>All transactions, whether they are income or expenditure will continue to be reported to the Parish Council and included in the Minutes.</p> <p>Any anonymous donations, will be recorded as 'anonymous'.</p>
<b>Statement</b>	<b>Internal Auditor Review and Recommendation 2023-2024</b>
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.	<p>Most of the information required by the Transparency code for smaller authorities is available on the website.</p> <p>Although the current year requires Form 3, Form 2 does require the publication of the Certificate of exemption, not a statement re this. Ensure all necessary documents are available going forward Please review all requirements under the code, and make the additional disclosures going forward.</p>
	<b>Parish Council Action 2024-2025</b>
	The 2023-2024 audit is not exempt, and does not meet the criteria of requiring an Exemption Certificate. The Clerk however, will ensure that all documents that must be published, are placed on the website.