

# Annual Governance and Accountability Return 2024/25 Form 3

To be completed by Local Councils, Internal Drainage Boards and other Smaller Authorities\*:

- where the higher of gross income or gross expenditure exceeded £25,000 but did not exceed £6.5 million; or
- where the higher of gross income or gross expenditure was £25,000 or less but that:
  - are unable to certify themselves as exempt (fee payable); or
  - have requested a limited assurance review (fee payable)

## Guidance notes on completing Form 3 of the Annual Governance and Accountability Return 2024/25

1. Every smaller authority in England that either received gross income or incurred gross expenditure exceeding £25,000 must complete Form 3 of the Annual Governance and Accountability Return at the end of each financial year in accordance with *Proper Practices*.
2. The Annual Governance and Accountability Return is made up of three parts, pages 3 to 6:
  - The Annual Internal Audit Report must be completed by the authority's internal auditor.
  - Sections 1 and 2 must be completed and approved by the authority.
  - Section 3 is completed by the external auditor and will be returned to the authority.
3. The authority must approve Section 1, Annual Governance Statement, before approving Section 2, Accounting Statements, and both must be approved and published on the authority website/webpage before 1 July 2025.
4. An authority with either gross income or gross expenditure exceeding £25,000 or an authority with neither income nor expenditure exceeding £25,000, but which is unable to certify itself as exempt, or is requesting a limited assurance review, must return to the external auditor by email or post (not both) no later than 30 June 2025. Reminder letters will incur a charge of £40 +VAT:
  - the Annual Governance and Accountability Return Sections 1 and 2, together with
  - a bank reconciliation as at 31 March 2025
  - an explanation of any significant year on year variances in the accounting statements
  - notification of the commencement date of the period for the exercise of public rights
  - Annual Internal Audit Report 2024/25

Unless requested, do not send any additional documents to your external auditor. Your external auditor will ask for any additional documents needed.

Once the external auditor has completed the limited assurance review and is able to give an opinion, the Annual Governance and Accountability Section 1, Section 2 and Section 3 – External Auditor Report and Certificate will be returned to the authority by email or post.

## Publication Requirements

Under the Accounts and Audit Regulations 2015, authorities must publish the following information on the authority website/webpage:

Before 1 July 2025 authorities must publish:

- Notice of the period for the exercise of public rights and a declaration that the accounting statements are as yet unaudited;
- **Section 1 - Annual Governance Statement 2024/25**, approved and signed, page 4
- **Section 2 - Accounting Statements 2024/25**, approved and signed, page 5

Not later than 30 September 2025 authorities must publish:

- Notice of conclusion of audit
- **Section 3 - External Auditor Report and Certificate**
- **Sections 1 and 2 of AGAR** including any amendments as a result of the limited assurance review. It is recommended as best practice, to avoid any potential confusion by local electors and interested parties, that you also publish the Annual Internal Audit Report, page 3.

The Annual Governance and Accountability Return constitutes the annual return referred to in the Accounts and Audit Regulations 2015. Throughout the words "external auditor" have the same meaning as the words "local auditor" in the Accounts and Audit Regulations 2015.

\*for a complete list of bodies that may be smaller authorities refer to schedule 2 to the Local Audit and Accountability Act 2014.

## Guidance notes on completing Form 3 of the Annual Governance and Accountability Return (AGAR) 2024/25

- The authority must comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR. *Proper Practices* are found in the *Practitioners' Guide\** which is updated from time to time and contains everything needed to prepare successfully for the financial year-end and the subsequent work by the external auditor.
- Make sure that the AGAR is complete (no highlighted boxes left empty) and is properly signed and dated. Any amendments must be approved by the authority and properly initialled.
- The authority should receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- Use the checklist provided below to review the AGAR for completeness before returning it to the external auditor by email or post (not both) no later than 30 June 2025.
- The Annual Governance Statement (Section 1) must be approved on the same day or before the Accounting Statements (Section 2) and evidenced by the agenda or minute references.
- The Responsible Financial Officer (RFO) must certify the accounts (Section 2) before they are presented to the authority for approval. The authority must in this order; consider, approve and sign the accounts.
- The RFO is required to commence the public rights period as soon as practical after the date of the AGAR approval.
- You must inform your external auditor about any change of Clerk, Responsible Financial Officer or Chair, and provide relevant authority owned generic email addresses and telephone numbers.
- Make sure that the copy of the bank reconciliation to be sent to your external auditor with the AGAR covers all the bank accounts. If the authority holds any short-term investments, note their value on the bank reconciliation. The external auditor must be able to agree the bank reconciliation to Box 8 on the accounting statements (Section 2, page 5). An explanation must be provided of any difference between Box 7 and Box 8. More help on bank reconciliation is available in the *Practitioners' Guide\**.
- Explain fully significant variances in the accounting statements on page 5. Do not just send a copy of the detailed accounting records instead of this explanation. The external auditor wants to know that you understand the reasons for all variances. Include complete numerical and narrative analysis to support the full variance.
- If the bank reconciliation is incomplete or variances not fully explained then additional costs may be incurred.
- Make sure that the accounting statements add up and that the balance carried forward from the previous year (Box 7 of 2024) equals the balance brought forward in the current year (Box 1 of 2025).
- The Responsible Financial Officer (RFO), on behalf of the authority, must set the commencement date for the exercise of public rights of 30 consecutive working days which must include the first ten working days of July.
- The authority must publish on the authority website/webpage the information required by Regulation 15 (2), Accounts and Audit Regulations 2015, including the period for the exercise of public rights and the name and address of the external auditor before 1 July 2025.

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes have been completed?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Has all additional information requested, including the dates set for the period for the exercise of public rights, been provided for the external auditor?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Section 1	For any statement to which the response is 'no', has an explanation been published?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Section 2	Has the Responsible Financial Officer signed the accounting statements before presentation to the authority for approval?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Has the authority's approval of the accounting statements been confirmed by the signature of the Chair of the approval meeting?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Has an explanation of significant variations been published where required?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Has the bank reconciliation as at 31 March 2025 been reconciled to Box 8?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Has an explanation of any difference between Box 7 and Box 8 been provided?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? NB: do not send trust accounting statements unless requested.	<input type="checkbox"/>	<input checked="" type="checkbox"/>

\*Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices can be downloaded from [www.nalc.gov.uk](http://www.nalc.gov.uk) or from [www.ada.org.uk](http://www.ada.org.uk)

# Annual Internal Audit Report 2024/25

New Frankley in Birmingham Parish Council

www.newfrankleyinbirminghamparishcouncil.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).	✓		
<b>O. (For local councils only)</b> 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

01/04/2025

09/09/2025

Name of person who carried out the internal audit

Ms L Baudet, TPC Audit Services

Signature of person who carried out the internal audit

*L Baudet*

Date

09/06/2025

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)

# Section 1 – Annual Governance Statement 2024/25

We acknowledge as the members of:

**NEW FRANKLEY (in BIRMINGHAM) 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 2025, that:

	Agreed		‘Yes’ means that 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 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 litigation, 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
			has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

\*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:

07/07/2025

and recorded as minute reference:

7024/11/2024

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

Chair

*J. W. [Signature]*

Clerk

*[Signature]*

[www.newfrankley.birminghamparishcouncil.gov.uk](http://www.newfrankley.birminghamparishcouncil.gov.uk)

Section 2 – Accounting Statements 2024/25 for

NEW FRANKLETON BURTON WOODHAM PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2024 £	31 March 2025 £	
1. Balances brought forward	55,088	95,710	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	59,755	59,358	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	58,157	48,503	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	39,104	39,152	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	38,186	51,835	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	95,710	108,084	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	95,710	108,084	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	47,459	62,184	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)		<input checked="" type="checkbox"/>		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)			<input checked="" type="checkbox"/>	The figures in the accounting statements above exclude any Trust transactions.

I certify that for the year ended 31 March 2025 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

*W. Russell*

Date: 21/06/2025

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

6/7/07/2025

as recorded in minute reference:

7/2/2025 (2024/25)

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

*J. Waller*

## Section 3 - External Auditor Report and Certificate 2024/25

In respect of **New Frankley in Birmingham Parish Council**

### 1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a limited assurance review is set out by the National Audit Office (NAO). A limited assurance review is not a full statutory audit, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it does not provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website - <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2025; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors

### 2 External auditor limited assurance opinion 2024/25

Except for the matters reported below on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with the *Proper Practices* and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

The AGAR was not approved until after 30 June 2025 which is a breach of the Accounts and Audit Regulations 2015.

Section 2 Accounting Statements has not been correctly completed. Box 2 does not agree to the precept by £550 which appears, from budget information obtained, to relate to interest receivable. All non-precept amounts should have been entered in Box 3 'Other receipts'. As a result of this we would have expected Assertion 1 on the Annual Governance Statement to be answered 'No'. We would expect these figures to be restated on the next year's AGAR, and marked as such, to bring it to the attention of the reader. Box 2 should reflect solely the precepted amount of £69,308 and Box 3 should be adjusted accordingly.

The council has answered 'Yes' to Assertion 4 of Section 1 of the Annual Governance and Accountability Return which relates to how the Notice of Public Rights was advertised within the financial year 2024/25. Therefore, it relates to the Notice announcing the public right to review the 2023/24 return which was published during 2024/25. As noted in the Auditor Report last year, this notice was not correctly advertised therefore this Assertion should have been answered 'No'.

Other matters not affecting our opinion which we draw to the attention of the authority:

It was noted on review that the Period for Public Rights was announced and commenced prior to the approval of the Annual Governance and Accountability Return. Regulation 12 - 15 of the Accounts and Audit Regulations 2015 set out the order required to be followed when approving, announcing, and publishing the Return and related documents in order to satisfy the Public Rights requirements. The Return must be approved prior to the Notice being published. To be able to demonstrate this, proper practice requires that the Notice is published no sooner than the day following the approval meeting, and the Public Rights period commences no sooner than the next working day after that. We would anticipate the council taking these issues into account and responding 'no' to Assertion 4 on its 2025/26 Annual Governance and Accountability Return.

Incomplete information was provided with the initial supporting data submitted for review with regards to significant variances, which was later provided on request. The parish council should in future ensure that all the necessary supporting information is provided with their annual submission.

Last year the External Audit Report noted that the Notice of Public Rights was provided for a period of 29 days. Therefore, we expected a 'No' response to control objective M on the Annual Internal Audit Report.

The Annual Internal Audit Report was initially submitted with the date of 09/09/2025. This has since been updated and resubmitted to us with the date of sign off of 09/06/2025 which is in agreement with the full Internal Auditors report. There are no further concerns in this area.

### 3 External auditor certificate 2024/25

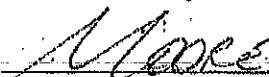
We certify that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2025.

External Auditor Name

External Auditor Signature

Date

 **MOORE**




18/09/2025

Smaller authority name: **NEW FRANKLEY in BIRMINGHAM PARISH COUNCIL**

**NOTICE OF PUBLIC RIGHTS AND PUBLICATION  
OF UNAUDITED ANNUAL GOVERNANCE &  
ACCOUNTABILITY RETURN**

**ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025**

**Local Audit and Accountability Act 2014 Sections 26 and 27  
The Accounts and Audit Regulations 2015 (SI 2015/234)**

NOTICE	NOTES
<p><b>1. Date of announcement</b>      <u>Monday 30 June 2025</u> (a)</p> <p><b>2. Each year the smaller authority's Annual Governance and Accountability Return (AGAR) needs to be reviewed by an external auditor appointed by Smaller Authorities' Audit Appointments Ltd. The unaudited AGAR has been published with this notice. As it has yet to be reviewed by the appointed auditor, it is subject to change as a result of that review.</b> Any person interested has the right to inspect and make copies of the accounting records for the financial year to which the audit relates and all books, deeds, contracts, bills, vouchers, receipts and other documents relating to those records must be made available for inspection by any person interested. For the year ended 31 March 2025, these documents will be available on reasonable notice by application to:</p> <p>(b) Rachael Anstey – Clerk 12 Arden Road, Frankley, Birmingham, B45 0JA T.0121 457 9410 / <a href="mailto:clerk@newfrankleyinbirminghamparishcouncil.gov.uk">clerk@newfrankleyinbirminghamparishcouncil.gov.uk</a></p> <p>commencing on (c) <u>Tuesday 1st July 2025</u></p> <p>and ending on (d) <u>Monday 11 August 2025</u></p> <p><b>3. Local government electors and their representatives also have:</b></p> <ul style="list-style-type: none"><li>• The opportunity to question the appointed auditor about the accounting records; and</li><li>• The right to make an objection which concerns a matter in respect of which the appointed auditor could either make a public interest report or apply to the court for a declaration that an item of account is unlawful. Written notice of an objection must first be given to the auditor and a copy sent to the smaller authority.</li></ul> <p>The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.</p> <p><b>4. The smaller authority's AGAR is subject to review by the appointed auditor under the provisions of the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015 and the NAO's Code of Audit Practice 2015. The appointed auditor is:</b></p> <div style="text-align: center;"><p><b>MOORE</b></p></div> <p>Moore (Ref AP/HD) Rutland House Minerva Business Park Lynch Wood Peterborough PE2 6PZ</p> <p><b>5. This announcement is made by (e) Margarita Fackrell, RFO</b></p>	<p>(a) Insert date of placing of the notice which must be not less than 1 day before the date in (c) below</p> <p>(b) Insert name, position and address/telephone number/ email address, as appropriate, of the Clerk or other person to which any person may apply to inspect the accounts</p> <p>(c) Insert date, which must be at least 1 day after the date of announcement in (a) above and extends for a single period of 30 working days (inclusive) ending on the date appointed in (d) below</p> <p>(d) The inspection period between (c) and (d) must also include the first 10 working days of July.</p> <p>(e) Insert name and position of person placing the notice – this person must be the responsible financial officer for the smaller authority</p>

Town & Parish Council Audit Services  
47 St Pauls Crescent, Coleshill, Birmingham B46 1BB  
Tel 07503 002948

# INTERNAL AUDIT REPORT

NEW FRANKLEY IN

BIRMINGHAM

FINANCIAL YEAR 2024/25

# INTERNAL AUDIT

## 1. Background and general summary

Town & Parish Council Audit Services has been appointed by New Frankley in Birmingham Parish Council to provide an independent internal audit for the financial year ending 31<sup>st</sup> March 2025. The Audit is provided on the basis of information provided by the Clerk to the Council, along with a review of the supporting records, together with audit of information available on the Council website.

1. New Frankley in Birmingham Parish Council is made up of twelve Councillors representing wards within the parish with the quorum for meetings being 3
2. The Council currently has 2 vacancies with minutes of meetings clearly demonstrating and documenting due process being followed to fill vacancies in accordance with statute.
3. The Council has the following Committees with appropriate terms of reference which are available on the Council website ; Finance & Management Committee, Planning, Environment, Highways and Public Transport Committee, Staffing Committee and Appeals Committee. The Parish Council also has representation on External Bodies which is publicized on the website and includes City Councils Standards Representative, Balaams Wood Management Representative, Flood & Emergency Representative and Frankley Carnival Representative.
4. Full Council Meetings are held monthly (except August) with meeting dates, along with Committee meeting dates, published on Parish Council noticeboard and the website.
5. There is evidence of some training undertaken by Councillors during the year – this being Whistle Stop Training. I would recommend an evaluation of Councillor training needs, to include refresher training, with an appropriate allocated Councillor training budget to ensure that Councillors continue to update their knowledge and skills on governance matters, powers and responsibilities as a matter of good practice.
6. The Council is a member of the Association for Local Councils and also National Association of Local Councils with evidence in the minutes of resources and advice being utilized by the Council
7. 13<sup>th</sup> edition of Local Council Administration is utilised by the Council
8. The Council has a grant scheme (details available on website) and a relevant Grant Awarding Policy as agreed by the Council which has been reviewed during the audit period and demonstrates appropriate use of powers granted under legislation, and a thorough process for considering, granting and monitoring grants.
9. The Parish Council has not signed up to the Civility and Respect although information was circulated to Councillors in 2022 regarding training. The Parish Council may wish to review.
10. The Council held its Annual Parish Assembly in accordance with legislative requirements

### RECOMMENDATIONS :

- Review of Councillor training needs, with adoption of Training Policy and Plan with associated Councillor training budget.
- Consider adoption of Civility and Respect.

# INTERNAL AUDIT

## 2. Actions/recommendations following 2023-24 Audit

**Following the Internal Audit for 2023/24 the following recommendations were made :**

- Adoption and publication of Lone Working Policy, Grievance Policy and Disciplinary Policy – Parish Council noted recommendation and implemented
- Minute numbers recorded consecutively - Parish Council noted recommendations and implemented
- Use of Council specific email addresses and .gov email – Parish Council noted recommendations and implemented
- Coding of Petty Cash Receipts – Parish Council noted recommendations and implemented

**Following the External Audit for 2023/24, I can confirm that the Town Council undertook the following :**

1. Electors rights – notice for the period for the exercise for the public rights were published and included the first 10 working days in July in accordance with requirements. Published dates were 5<sup>th</sup> June 2024 to 15<sup>th</sup> July 2024
2. The Parish Council completed the Annual Governance Statement and Accounting Statements which are displayed on the Council website
3. AGAR for 2023/24 was duly published on the Council website
4. Internal and External Audit reports were received by the Council, minuted and duly displayed on noticeboard and website.
5. The Council reviewed and minuted the effectiveness of the Internal Audit

### **RECOMMENDATIONS**

No further recommendations on any of the above points.

## 3. Working documents, Policies and procedures

**OBJECTIVE :** To ensure that the Council has both statutory and recommended documents, Policies and procedures in place to enable the Council to meet its statutory duties

**WORK DONE :**

As part of the audit the following work was undertaken for this objective :

- Minutes were reviewed to evidence correct procedures
- Evidence was sought within the minutes to show adoption of required Policies
- Evidence was sought from the website to review Policies adopted

**AUDIT SUMMARY**

1. The Council reviewed and adopted their Standing Orders in May 2024 and Financial Regulations in June 2024, in accordance with NALC model policies and to reflect changes required for the efficient and legal running of the Town Council.
2. The Council regularly reviews and updates a range of Policies throughout the year. During the year audited the following policies were evidenced ; Financial Regulations, Standing Orders, Health and Safety Policy, Safeguarding Policy, Social Media Policy, Internal Controls Policy, Grievance Policy, Equal Opportunities Policy and Data Protection. These policies were available to view on the website in an accessible format.
3. From April 2025 all Councils must have an IT Policy detailing how Clerks, Councillors and other staff should conduct authority business in a secure and legal way when using IT equipment and software. This will relate to the use of authority owned and personal equipment. Although this will be reviewed in the 25-26 audit, I highlight to enable the Council to action if not already done so.
4. In accordance with statutory requirements a summons is included in the Agenda to each Councillor, which is signed by the Clerk and displayed a minimum of three clear days in advance of the meeting according to statutory requirements. Agendas and Minutes for all meetings provided to Councillors, displayed on the noticeboard and available on the Council website in an accessible format.
5. Agendas provide opportunity for Councillors to declare any interests on Agenda Items with Members Interests forms duly completed by each Councillor, which is published on the Council website along with links to their completed forms.
6. Agendas and minutes are held and available for inspection in a minute book. Minutes are approved by Council, then signed and dated by the Chair (recorded within the minutes)
7. Apologies for absence are recorded within the minutes and whether they are accepted or not accepted. Minutes should clearly record apologies along with the reason going forwards to avoid the operation of the six month rule (see Charles Arnold Baker page 47).
8. The Chair and Vice Chair sign and complete their Declaration of Acceptance of Office which is duly recorded and Councillors have each signed a Declaration of Acceptance of Office.

## INTERNAL AUDIT

9. A list of Councillors and their responsibilities, roles and Committee membership is published and available on the Council website where applicable.
10. The Council partly meets its statutory requirements in accordance with GDPR and has implemented GDPR policies.
11. The Councils adopted Data Protection policy covers Subject Access Requests (SAR), Data breaches and use of CCTV. Council should ensure relevant logs for these are maintained and reported to Council as required. Post audit period Council has appointed a Data Protection Officer
12. The Council is registered with the Information Commissioner. The Council has implemented a Freedom of Information Policy based on the ICO Publication Scheme, the latter of which is duly publicised.
13. The Council has a website which conforms to the current Accessibility regulations, with documents published in an accessible format. The Parish Council does not have a Website Accessibility Statement and Privacy Notice which I recommend be adopted and published. Five years of financial information along with audit information is included on the Council website.
14. The Council has a Publication Scheme which is adopted, reviewed and published detailing all categories of information available, the format through which it can be obtained and associated costs.

### RECOMMENDATIONS

- It is a recommendation for minutes to also record all reasons for Councillor apologies going forwards, to avoid the operation of the six month rule for disqualification (see Charles Arnold Baker page 47)
- That the Parish Council has an Accessibility Statement and Privacy Policy for Council website – note Privacy Policy adopted post audit period
- That the Parish Council has a Subject Access Request Disclosure log and Data breach log with entries reported to Council if required
- Ensure that the Council has an IT Policy in place which applies to staff and Councillors to comply with legal requirements from April 2025, and relevant to Council and personal equipment (new Assertion 10 in Audit requirement).

# INTERNAL AUDIT

## 4. Budgetary Controls and Financial decisions

**OBJECTIVE :** To ensure that a budget has been accurately prepared by the Council and adopted in the process of settling the Precept

**WORK DONE :**

As part of the audit the following work was undertaken for this objective :

- Minutes were reviewed to ensure reference to the budgets prepared
- Evidence was sought within the minutes to show benchmarking of budgets against actual income and expenditure
- Current income and expenditure has been discussed by the Council in relation to the following years budget and preparation of year end profit and loss account

**AUDIT SUMMARY**

1. The Council meets monthly throughout the year at which financial information is considered and approved by the Parish Council, this being accounts for payment, invoices and bank statements along with a bank and cash reconciliation
2. A Councillor who is not a signatory is appointed each year to independently check and monitor the accounts.
3. All accounts for payment are reported to the Council for approval at its monthly meetings, with any interim payments being approved retrospectively. The bank mandate was reviewed during the audit year. The Parish Council has three bank signatories. The two Councillor signature (digital authorisation) rule is applied with two members of the Council who are bank signatories. I would recommend that the Council consider increasing the number of signatories so that additional signatories are in place to cover in the event of sickness, absence, death etc..., so there is no delay in banking or difficulties accessing banking facilities. Retrospective and forthcoming payments are included as an Agenda item and minuted.
4. An electronic payment procedure covers budget control and administration for all payments with eight Councillors approved for authorising payments.
5. The Council prepares and approves a budget in a timely manner before setting its Precept prior to the commencement of the financial year. Income and expenditure is reconciled at the point in time with projected forecasts to the end of the financial year. Current and forward budget is broken down into areas of income and expenditure in appropriate headings and minutes demonstrate a detailed analysis of the requirements for the forthcoming financial year. Income clearly identifies Precept income and other income.
6. When setting the budget and considering the Precept request, Dispensation requests are not submitted by individual Councillors and this should be included in the future, with the appropriate form being submitted to the Clerk and authorisation recorded in the minutes.
7. Year end accounts are produced in a timely manner and accounts signed off by Parish Council
8. The audit concludes that arrangements are in place to enable the preparation of an accurate and timely statement of accounts in compliance with its statutory obligations and proper practices. At their meeting on 16<sup>th</sup> December 2024 the Council set their budget at £100,455 with Precept at £48,656
9. Receipt of Precept is evidenced in bank statements

## INTERNAL AUDIT

10. Tenders and quotations for services are managed in accordance with adopted Financial Regulations and tendering procedures are demonstrated as being implemented thoroughly and documented in the minutes.
11. In accordance with JPAG recommendations the Council adopted a Reserves Policy covering both General Reserves and Earmarked Reserves and the process for managing and using reserves throughout the year and also as part of the annual budget and Precept setting process.
12. The Town Council does not have responsibility for Allotments.
13. The Parish Town Council does not have responsibility for Burials.
14. The Parish Council does not have any responsibility for building lettings
15. The Council operates a Petty Cash system with procedures in place for management and including in monthly reconciliations. No physical check of petty cash was undertaken. There is a limit of £500 with minutes reflecting use of petty cash and authorisation by Council.
16. The Parish Council has a bank debit card with procedures in place for management and risk - there is a £200 limit per transaction with a limit of £5000 per month, with minutes duly reflecting authorisation of expenditure. The card is kept in a locked draw at the Parish Council office.

### RECOMMENDATIONS

- When setting the Precept and budget to ensure that the minutes document receipt of Dispensation requests from Councillors and decisions regarding approval/refusal.

# INTERNAL AUDIT

## 5. Risk Assessment

**OBJECTIVE :** To ensure risks are identified and managed effectively

**WORK DONE :**

As part of the audit the following work was undertaken for this objective :

- Review of Council Risk Assessment and areas covered
- Audit of payments linked to Council minutes
- Testing of income and expenditure processes
- VAT recovery procedures

**AUDIT SUMMARY**

1. The Council has the appropriate insurance cover in place which is reviewed annually – this was reviewed June 2024. Insurance cover includes Insurance cover includes Public liability £10,000, Employer liability £10,000 and Money & Fidelity Guarantee £150,000. Insurance cover is linked and evidenced back to robust risk assessment and valuation of Council assets.
2. Asset Register reviewed by Committee in November 2024 with up to date valuations and provided to Insurance company, which is clearly documented in Council documentation.
3. The Council has a Statement of Internal Control as part of its risk management and inspections of property and equipment by staff or Councillors are undertaken. A schedule of assets is maintained by the Council. The statement of Internal Control includes arrangements for Internal Audit and External Audit. There is an annual review of the effectiveness of Internal Controls. This provides a robust system of risk assessment and managing risk.
4. Risk Assessment and Management document reviewed which clearly identifies risk by category, risk description, probability and consequence along with risk level eg high, medium or low. It provides detailed consideration of presenting risks and appropriate action taken ie Annual assessment of Equipment Safety through Annual Certificate of Maintenance, PAT testing, risk assessment of office premises. There is evidence of ongoing risk assessment throughout the year which is activity specific ie removal of graffiti and use of chemicals, events.
5. Testing of income and expenditure through audit trail was undertaken which demonstrated that the Parish Council adheres to Financial Regulations and implements appropriate procedures :

**RECOMMENDATIONS**

None

# INTERNAL AUDIT

## Assets

**OBJECTIVE :** To ensure a complete and accurate register is kept detailing all the assets owned by the Parish Council

### **WORK DONE :**

As part of the audit the following work was undertaken for this objective :

- Confirmation of Council Asset Register
- Ensure assets have adequate description to enable them to be identified
- Ensure assets have cost value and there is process in place for inspecting and re-evaluating costs

### **AUDIT SUMMARY**

1. The Council holds an up to date Asset Register and this is reviewed annually, with items purchased added and valued and a process in place for removing items off the Asset Register.
2. The Asset Register clearly identifies the asset and value for insurance purposes and transparency.
3. The Asset Register is not published on the Council website as a public document and I would recommend that the Council does this
4. The Parish Council does not own any land or buildings
5. Parish Council Assets have been inspected for risk and this is duly documented and minuted - staff/Councillors undertake a physical inspection of all assets (F & M Committee November 2024)
6. Risk assessment and management covers items on Asset Register
7. A process is in place for re-evaluating costs and links with Council insurance cover - Parish Council provides annual update of Asset Register valuations and risk as part of renewal process.

### **RECOMMENDATIONS**

I would recommend that the Asset Register be displayed on the Council website for transparency

# INTERNAL AUDIT

## Payroll and HR

**OBJECTIVE :** To ensure amounts paid as salary are correct and have been subject to PAYE/NIC deductions which have been calculated in accordance with PAYE regulations. To ensure that all deductions have been paid over to HMRC within time constraints. To ensure that pension deductions have been calculated at the correct rate and paid over to the required body in accordance with Pension Regulations.

### WORK DONE :

As part of the audit the following work was undertaken for this objective :

- Review of procedures for salary payments
- Review of procedures for implementing tax codes and relevant deductions
- Review of pension deduction procedures and reporting to relevant pension scheme
- Review to ensure that payments are accurately authorised by the Council and recorded in minutes of meetings
- Review of relevant employment practices and procedures to ensure good governance
- Ensure that any contractual changes are recorded

### AUDIT SUMMARY

1. The Parish Council has a Staffing Committee with approved terms of reference to act under delegated powers in relation to staff recruitment.
2. All staff have been issued with Contracts of Employment. References were not taken up on appointment, which is a requirement under insurance policies for Parish Councils – recommend updating recruitment policy to ensure this is undertaken in future.
3. The Clerk is not GILCA or ILCA qualified and the Parish Council however the minutes reflect the Councils support in facilitating achievement of this qualification. There is an allocated staff training budget of £300 and evidence of relevant staff training to enable the Council to deliver services. Staff training during the audit year has included Year End procedures, Managing Volunteers and Scribe training.
4. The Parish Council is registered with HMRC with appropriate Tax and NI deductions submitted on a monthly basis
5. The Parish Council is registered with the Pensions Regulator and all staff are offered access to a Pension Scheme, which is NEST.
6. There are no home working allowances paid
7. Staff appraisal is undertaken periodically (1 – 2 years) and I would recommend annual staff appraisal be undertaken going forwards.
8. There is evidence within Council documentation/bank statements of salary payments along with the relevant statutory requirements regarding Tax and NI insurance contributions included within the budget headings, and supporting documentation provided. The Council uses the services of an independent external payroll provider.
9. Evidence within accounts and minutes authorising payments to NEST Pension Fund for staff with an audit trail provided back to bank account statements.
10. There is also evidence of authorisations to HMRC for tax and National Insurance payments

## INTERNAL AUDIT

11. There is record within the minutes of the Parish Council approving the implementation of the Local Government Pay Award for 2024/25, which by default ensures that the national minimum and national living wage limits are paid.
12. There was no evidence of a Disabled Access Audit which is a statutory requirement required to comply with the Equality Act 2010
13. HR policies and procedures in place include Grievance Procedures, Equal Opportunities and Lone Working Policy. I would highlight Best Practice Policies and Procedures recommended which include Working Time Policy, Bullying and Harassment/Dignity at Work, Equality and Diversity, Computer Use, Training Statement of Intent, Employee Code of Conduct and Use of own vehicle for work.

### RECOMMENDATIONS

- For the Parish Council to give consideration for adoption of Best Practice HR policies
- To comply with Equality Act 2010 adoption of Disabled Access Audit
- Staff be given annual Staff Appraisal

# INTERNAL AUDIT

## Bank and cash income and expenses

**OBJECTIVE :** To ensure systems in place for the accurate recording of all income and expenditure is sufficient and free from material error or misstatement. To ensure that all expenditure has been authorised by the Council and minuted accordingly and that all income can be verified to the source

### **WORK DONE :**

As part of the audit the following work was undertaken for this objective :

- Bank reconciliation has been checked for arithmetical accuracy. Brought forward balance agreed to previous year reconciliation
- Bank balances have been agreed to bank statements as at 31\* March 2025 and receipts and payments totals agreed
- A sample of costs verified against meeting minutes, vouchers, authorized payment, paid in accordance of the instructions, VAT correctly recorded

### **AUDIT SUMMARY**

1. The Parish Council uses Scribe accounting software and operates on an income and expenditure basis, operating with a current account and also a deposit account
2. The Parish Council receives a monthly reconciliation for both the current and deposit account and this information is available to view on the Council website, along with copies of Invoices (submitted as additional information for meetings) on occasions. Supplier invoices displayed on the website contain details of suppliers bank accounts, and unless consent has been obtained for this information to be in the public domain, in line with GDPR requirements I would recommend that bank details are blanked out.
3. Bank reconciliations are presented and approved by the Council in accordance with procedures outlined in Financial Regulations and audit checks completed for arithmetical accuracy with no concerns.
4. Bank account is held with reputable high street bank with all accounts being covered by the Financial Services Compensation Fund to the value of £85,000. Bank statements are made available to all Councillors as well as income and expenditure information to note and approve against budget. .
5. Records of payments are contained within documentation supporting the minutes of the meetings and approved for payment by the Parish Council, detailing payee, amount and purpose of payment, along with VAT amount and category of VAT. VAT is reclaimed by the Parish Council on a regular basis.
6. Accounts allow for breakdown of income and expenditure by budget category and a separate entry is provided for Section 137 expenditure and also VAT
7. A debit card is used with appropriate procedure within Financial Regulations and also the Financial and Administrative risk assessment.

## INTERNAL AUDIT

8. There is no record within the minutes of the annual advertisement of Cllrs allowances and expenses on the noticeboard (whether these be zero or for a sum of money). See previous recommendation.

### RECOMMENDATIONS -

- Ensure that the Parish Council is not breaching GDPR with regards to making supplier bank details available on Council website.
- Ensure that minutes record compliance with statutory requirement to display Councillor allowances and expenses (even when zero figure)

Louise Baudet  
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Margarita Fackrell  
RFO New Frankley In Birmingham Parish Council  
12 Arden Road  
Birmingham B45 0JA

16<sup>th</sup> September 2025

Dear Margarita,

**Amended AGAR 2024-25**

Further to the communication from the External Auditor and your subsequent email, I can confirm that the date on the AGAR for 2024-25 should have read June and not September. I have double checked the date on the Internal Audit report and this was correct.

I am duly corrected this incorrect date and attach your amended AGAR.

Please accept my apologies for this error

Kind regards

Louise Baudet  
Internal Auditor, TPC Audit Services