

MR LEWIS ANDERSON
INTERNAL AUDITING & LOCUM CLERK SERVICES

LewisAnderson.InternalAuditServices@mail.co.uk

07747 451030

Mr. Lewis Anderson,
119 Field Lane,
Burton Upon Trent,
Staffordshire,
DE13 0NJ

LewisAnderson.InternalAuditServices@mail.co.uk
07747 451030

Monday 15th June 2026

New Frankley in Birmingham Parish Council,
% Ms. R. Anstey & M. Fackrell,
Sent via email

INTERNAL AUDIT SERVICES FOR NEW FRANKLEY IN BIRMINGHAM PARISH COUNCIL 2025-

26

Dear Clerk & RFO,

I write to confirm that I have completed the internal audit of the accounts, records and governance arrangements of New Frankley in Birmingham Parish Council for the financial year ended 31 March 2026.

The audit has been carried out in accordance with the requirements of the *Practitioners' Guide* and in line with proper practices.

Based on the work undertaken, the audit has identified areas where internal controls, governance arrangements and risk management would benefit from strengthening. These matters are reflected within the Internal Audit Report where relevant assertions have been marked accordingly.

In particular, the following areas are brought to the attention of the Council for collective reflection:

Debit Card Arrangements

The Council currently operates with three debit cards, two held by officers and a third held by a volunteer, with transaction limits understood to be £200 per transaction and up to £1,000 per month. No formal debit card policy is in place setting out the volunteer's usage, and there is no explicit provision within the Council's Financial Regulations governing their issue, usage, authorisation or review. Debit cards present a higher inherent control risk as they enable expenditure outside the standard purchase order and invoice approval framework.

This matter also highlights a wider consideration in respect of the Council's approach to risk management. The use of debit cards, particularly where one is held by a non-employee, does not appear to have been fully reflected within the Council's assessment of internal control effectiveness or mitigated through strengthened arrangements such as tighter limits, alternative purchasing methods, or the use of controlled or pre-paid card solutions.

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The Council may wish to consider strengthening its governance framework in this area through the introduction of a formal policy, updates to Financial Regulations, and clearer oversight arrangements.

Council Vehicle

The Council owns a vehicle which is currently insured via an external organisation and operated in conjunction with that organisation. No formal agreement was identified setting out the respective roles, responsibilities or liabilities between the Council and the organisation.

In the absence of such an agreement, there is a lack of clarity regarding:

- Responsibility for insurance, maintenance and day-to-day usage;
- The extent to which the Council retains control and oversight of its asset;
- How risks associated with the vehicle are managed and allocated.

It was also noted that the insurance schedule does not clearly align with the Council's asset register, and the Council is reliant on a third party for assurance that the asset is appropriately insured.

The Practitioners' Guide requires that councils maintain complete and accurate asset registers and ensure that assets are properly safeguarded. The current arrangements reduce the level of assurance that the Council's asset is protected and managed in accordance with proper practices.

The Council may wish to formalise this arrangement to ensure clarity of governance, alignment of records, and appropriate control over Council-owned assets.

Community Organisation Relationship

I note that the two above issues stem from the relationship with a community organisation operating closely with the parish council. It is evident that there is a lack of clarity and consistency as to how the relationship with this group is managed, and the council would benefit from confirmation on the group's status as an organisation, and mapping out formally its relationship with the council (e.g. is it a separate organisation, working in partnership, or an organisation owned and directed by the council).

Annual Return Publication

Due to the timing of the completion and receipt of the Internal Audit report, the Council was unable to approve and publish the AGAR by 30th June and commence the statutory period for the exercise of public rights within the required timeframe.

The Accounts and Audit Regulations 2015 require smaller authorities to:

- Approve and publish the AGAR by 30th June; and
- Provide for a 30-working day public inspection period including the first 10 working days of July.

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Whilst this appears to arise from timing constraints, the Council may wish to review its annual timetable and processes to support compliance with these statutory requirements in future years.

VAT Reclaims

A VAT reclaim was submitted during the year covering expenditure across multiple prior years rather than being submitted on a more regular basis.

Whilst no financial loss is indicated and I have not parked this as an area of non-compliance on the Internal Audit Report, I wished to take this opportunity to raise with the Council the Practitioners' Guide's promotion of regular and timely VAT reclaims as part of good financial management practice, supporting both cash flow and accuracy of financial monitoring.

The Council may wish to consider adopting a more routine approach to VAT reclaims, for example on a quarterly or annual basis.


These matters are not intended to attribute responsibility to any individual, but are presented to assist the Council as a corporate body in strengthening its governance framework, internal controls and approach to risk management in line with the expectations of the *Practitioners' Guide*. The Internal Audit process is designed to support continuous improvement, and I am confident that addressing the points raised will further enhance the Council's financial management, transparency and accountability.

Please find attached my Internal Audit Report for the AGAR and my more detailed Internal Audit Checklist.

I would like to thank the Clerk and RFO for their assistance and cooperation during the audit process.

Yours sincerely,

Mr. Lewis Anderson, PSLCC



Email: LewisAnderson.InternalAuditServices@mail.co.uk

Phone: 07747 451030

Internal Audit Forum: [Lewis Anderson ~ Internal Audit Services - Internal Audit Forum](#)

Annual Governance and Accountability Return 2025/26 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 £15 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 2025/26

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 2026**.
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 2026** 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 2026
 - 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 2025/26

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 Return **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 2026 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 2025/26** approved and signed, page 4
- **Section 2 - Accounting Statements 2025/26** approved and signed, page 5

Not later than 30 September 2026 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 2 of the Annual Governance and Accountability Return (AGAR) 2025/26, Sections 1 and 2

- An authority that wishes to declare itself exempt from the requirement for a limited assurance review **must** do so at a meeting of the authority after 31 March 2026. It should not submit its Annual Governance and Accountability Return to the external auditor. However, as part of a more proportionate regime, the authority **must** comply with the requirements of the Transparency Code for Smaller Authorities.
- The Certificate of Exemption **must** be returned to the external auditor no later than **30 June 2026** Reminder letters will incur a charge of £40 +VAT for each letter.
- The authority **must** comply with *Proper Practices* in completing Sections 1 and 2 of this AGAR and the Certificate of Exemption. 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.
- The authority **should** receive and note the Annual Internal Audit Report before approving the Annual Governance Statement and the accounts.
- The Annual Governance Statement (Section 1) **must** be approved before the Accounting Statements (Section 2) and evidenced by the agenda or minute references, even where approved on the same day.
- 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 which **must** be a single period of 30 working days for inspection (this excludes weekends and public holidays) which **must** include the first 10 working days of July.
- 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.
- Use the checklist provided below to review the AGAR for completeness at the meeting at which it is signed off.
- **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.**
- The authority **must** publish numerical and narrative explanations for significant variances in the accounting statements on **page 6**. Guidance is provided in the *Practitioners' Guide** which may assist.
- Make sure that the accounting statements add up and the balance carried forward from the previous year (Box 7 of 2025) equals the balance brought forward in the current year (Box 1 of 2026)
- The Responsible Financial Officer (RFO), on behalf of the authority, **must** set the commencement date for the exercise of public rights for a single period of 30 working days for inspection (this excludes weekends and public Holidays) 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 2026**

Completion checklist – 'No' answers mean you may not have met requirements		Yes	No
All sections	Have all highlighted boxes been completed?	✓	
	Have the dates set for the period for the exercise of public rights been published?	✓	
Internal Audit Report	Have all highlighted boxes been completed by the internal auditor and explanations provided?		✓
Section 1	For any statement to which the response is 'no', is an explanation available for publication?	✓	
Section 2	Has the Responsible Financial Officer signed the accounting statements before presentation to the authority for approval?	✓	
	Has the authority's approval of the accounting statements been confirmed by the signature of the Chair of the approval meeting?	✓	
	Has an explanation of significant variations been published where required?	✓	
	Has the bank reconciliation as at 31 March 2026 been reconciled to Box 8?	✓	
	Is an explanation of any difference between Box 7 and Box 8 available, should a question be raised by a local elector and/or an interested party?	✓	
Sections 1 and 2	Trust funds – have all disclosures been made if the authority as a body corporate is a sole managing trustee? (<i>Local Councils only</i>)	✓	

**Governance and Accountability for Smaller Authorities in England – a Practitioners' Guide to Proper Practices,* can be downloaded from www.nalc.gov.uk or from www.ada.org.uk

Annual Internal Audit Report 2025/26

New Frankley in Birmingham Parish Council

<https://www.newfrankleyinbirminghamparishcouncil.gov.uk/>

During the financial year ended 31 March 2026, 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 2025/26 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. Cash payments were properly supported by receipts, all 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 2024/25, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2024/25 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 2025/26 AGAR period, were public rights in relation to the 2024-25 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 2024/25 AGAR (see AGAR Page 1 Guidance Notes).		✓	
O. The authority has complied with laws, regulations & proper practices relating to digital and data compliance.	✓		
P. (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

Name of person who carried out the internal audit

09/02/2026

29/04/2026

10/06/2026

Mr Lewis Anderson PSLCC

Signature of person who carried out the internal audit



Date

11/06/2026

*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 2025/26

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 2026, that:

	Agreed		
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.		✓	<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. We have assured 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.		✓	<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
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.		✓	<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
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.		✓	<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		<i>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.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		<i>responded to matters brought to its attention by internal and external audit.</i>
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.	✓		<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
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
			✓
10. We have put in place arrangements for the effective IT and data management in accordance with proper practices during the year under review.	✓		<i>has made suitable arrangements for its IT and data management and has complied with proper practices in doing so.</i>

***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:

15/06/26

and recorded as minute reference:

7417 p.5

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

Chair

Alan Key

Clerk

Rm Austey

<https://www.newfrankleyinbirminghamparishcouncil.gov.uk>

Section 2 – Accounting Statements 2025/26 for

NEW FRANKLEY IN BIRMINGHAM PARISH COUNCIL

	Year ending		Notes and guidance
	31 March 2025 £	31 March 2026 £	
1. Balances brought forward	95,710	108,373	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	59,308	48,656	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	44,053	43,770	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	39,152	44,598	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	51,456	55,624	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	108,373	100,578	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	108,373	100,578	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	62,184	76,529	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	
11 Do the figures in the accounting statements above exclude any trust transactions?	✓		For guidance refer to the Practitioners' Guide sections 2.31 to 2.33.

I certify that for the year ended 31 March 2026 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.

Mackell

Date

04/06/2026

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

15/06/26

as recorded in minute reference:

7418 p.5

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

New Frankley in Birmingham Parish Council Internal Audit Checklist

10/06/2026

ICO ref	Objective	Criteria / test	Y/N	Comments
A/I	Accounting records kept; bank reconciliations	Roll forward prior year balances	Y	
A/I		sample transactions to bank statements	Y	
A/I		bank recs prepared routinely and independently reviewed	Y	
A/I		verify year-end bank rec & AGAR line 8	Y	
A/I		check investment strategy if balances >£100k	Y	
B	Compliance with financial regulations; payments supported; VAT	Review tender/quote procedures vs SOs/FRs	Y	
B		ensure consistent tender limits	Y	
B		review invoice authorisation trail	Y	
B		segregation between setting up payments and releasing	Y	
B		VAT reclaims timely and per records	Y*	3 Years claimed at the end of FY.
B		controls over debit/credit cards	N	3x cards. RFO card. Limit of £2,000. Volunteers held with limits. £200/ transaction/ £1,000 per month.
C	Risk assessment and risk management	Confirm annual adoption of risk register	Y	
C		check insurance cover adequacy	TBD	The Council's vehicle is insured by an external organisation. Clarification has been sought from the insurer to look at bringing this in-house
C		review arrangements for monitoring play/open spaces	N/A	
C		review effectiveness of internal control review	N	Debit cards for the council are held by non-council staff without adequate spend controls/ review processes.
D	Budgeting, monitoring and reserves	Confirm full council approved precept	Y	
D		review periodic budget monitoring with variance commentary	Y	
D		seek explanations for variances	Y	
D		review EMR establishment/review	Y	
D		agree precept to submission and public record	Y	
E	Income controls: invoicing, receipting, banking, VAT	Review aged debtors and follow-up	Y	
E		test controls over allotments, burials, hall hire, leases and other income streams	N/A	
E		check due-date control record for recurring income	N/A	
F	Petty cash / cash payments	If no cash payments, mark Not covered		
F		otherwise review petty cash/float controls	Y	
F		sample transactions to receipts	Y	
F		independent cash counts	Y	
F		VAT identified	Y	
F		physical cash count	Y	
F		cashing-up procedures (if applicable)	N/A	
G	Payroll, allowances, PAYE/NI and pensions	Confirm employment contracts	Y	
G		member allowances procedures	N/A	
G		test salary calculations vs approved scale/hours	Y	
G		correct tax codes	Y	
G		payroll software up to date	Y	
G		tax/NI/pension calculations and payments	Y	
H	Asset & investment registers (incl loans)	confirm asset register maintained and updated	Y	
H		consider physical verification of high value assets	Y	
H		reconcile register to AGAR line 9	Y	
H		compare to insurance schedule	N	Vehicle omitted. See above.
H		check long-term investments and investment strategy	Y	
H		check borrowing approvals and AGAR line 5/10	N/A	
H		check any loans issued have indemnities	N/A	
J	Accounting	Confirm correct accounting basis (R&P or I&E)	Y	

J	Accounting statements prepared on correct basis; audit trail; debtors/creditors	ensure figures agree to cashbook	Y	
J		audit trail from underlying records	Y	
J		where applicable verify debtors/creditors arrangements	Y	
J		if turnover >£200k ensure I&E records maintained	Y	
K	Exemption (prior year) criteria and declaration	Confirm all exemption criteria met (<£25k receipts & payments)	N/A	
K		correct certificate prepared/minuted to deadline	N/A	
K		published with required info	N/A	
L	website publication requirements (current year at IA)	Review website to ensure required documents published incl ICO publication scheme	Y	
M	Public rights: proper period set in prior year	Obtain/examine public notice	N	Delay in approving AGAR owing to late receipt of the Internal Audit Report.
M		confirm 30 working day period incl first 10 working days of July	N	As above. 30 working day period commenced after 1st July.
M		check minuting of dates	N	As above.
N	Publication of prior year AGAR	Confirm statutory disclosure/publication requirements met for prior year AGAR per current AGAR front page	N	As above.
O	Digital & data compliance	Confirm generic email on authority-owned domain	Y	
O		website accessibility tested annually and statement updated	Y	
O		data audit date	Y	
O		data protection policy adopted & reviewed annually	Y	
O		IT policy up to date	Y	
P	Trust funds (if applicable)	Confirm charity filing up to date	N/A	
P		council sole trustee on register (if applicable)	N/A	
P		acting per trust deed	N/A	
P		meetings/accounts separate	N/A	
P		review independent examiner report where risk-based	N/A	

EXPLANATION FOR THE "NO" RESPONSES OF SECTION 1 on AGAR 2025-2026

On Friday, 12 June 2026, the Report of the Internal Auditor was received during the Council's Finance and Management Committee Meeting and reviewed there.

Internal Control Objectives were given as follows:

- A. Appropriate accounting records have been properly kept throughout the financial year. Answer: Yes. The Auditor has given "Yes" answers to the Precept and rates requirements, VAT accounting, cash payments, Salaries and PAYE, Periodic bank accounts reconciliations, Accounting Statements prepared during the year, website publishing information and compliance with the laws, regulations and proper practices relating to digital and data, listed in objectives D, E, F, G, I, J, L, and O.
- B. The Auditor disagreed with the second objective: This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.
- C. The Auditor disagreed with the third objective: This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

- H. Asset and Investment registers were complete and accurate and properly maintained.

The reason for the Auditor's "No" answers were the following:

His main issues are the lack of agreement between the parish council and the Street champions over the truck usage and their work. He wants to see something like manual of who is paying the bills and maintaining the truck, who's managing it, who's responsible for it. According to the Auditor there's nothing wrong for the truck to be a parish asset as many other parishes do hold assets for community use, but it needs to be specified. During the last 15 years the Community Street Champions, as an independent community group were allowed to use the Parish truck to collect waste on the estate, they used to hold a separate bank account and apply for annual grants. Currently the Street Champions do not hold a bank account and were unable to set up one due to bank offices closure. The Council accounts for street Champions separately as Grant under Section 137.

The Internal Auditor explained that he could not ignore the concerns disclosed to him by the Parish Clerk about the Council's lack of measures to prevent and detect fraud concerning the truck and credit cards given to use by volunteers and the potential non-compliance with the Financial regulations.

The second issue is with the credit cards issued by the Council bank for use by the volunteers limited to £200 per transaction for fuel and maintenance expenses.

On its review at the meeting on 12 June, 2026 the Finance & Management committee suggested the Council to issue prepaid cards instead of bank credit cards for volunteers to use for fuel and expenses, which the auditor agreed to. Otherwise, he said if the Council wants to keep the things how they are, the Credit Cards need to be specified again in the Internal Control Policy with the details to volunteers and periodically reviewing the limits on them. Second advisory of the F&M Committee is for an agreement to be drawn between the Council and Street Champions regarding the use of the truck. This will be presented and discussed in details on their next meeting in July.

Therefore, the objectives 2, 3 and 5 of the Annual Government Statement 2025-2026, Section 1 needed to be corrected with answers "no" to represent the views of the internal Auditor. Objective 4 in Section 1 of the AGAR was required by the External Auditors last year to state "no" owing the late receipt of then Internal Auditor Report which consequently brought the approval of AGAR 2024-2025 by the Council and publishing the Notice of the public rights to inspect the accounts after 1st July 2025.

Unfortunately, each of those items is reflected in two separate objectives on the Internal Auditor's AGAR Form and this is the reason he gave us 2 ore items of "No" in objectives M and N on the Internal Auditor Report.

Explanation prepared by the RFO

On 15 June. 2026

New Frankley in Birmingham Parish Council
STATEMENT OF ACCOUNTS

	RECEIPTS	PAYMENTS
Opening Balance		
Balance at Bank	108,252.54	
Cash in Hand	120.93	
Current Account		
Deposit Bank Account		
Petty Cash	200.00	
Precept	48,656.00	
Localising Council Tax Support Grant	40,899.00	
Untaxed Interest Current Account		
Untaxed Interest Deposit Account	1,041.01	
Frankley Neighbourhood Forum		
Transfer from Deposit Account		
Multi Pay Credit Card		
Receivable VAT		
Staff Salaries Inc Employers NIC		35,860.48
Employer Pension Contribution		
Employee Pension Contribution		
Staff Expenses		
Nest Pensions Contributions		2,679.23
Underpayment of NI and PAYE		
Staff Wages		1,904.76
Office Lease		8,000.00
Business Rates		
Water Rates		226.53
Electricity Bills		666.04
Gas Bills		845.52
Telephone		425.32
Broadband Service		
Office Furniture and Equipment		37.49
Premises Repairs and Maintenance		
Office Equipment Maintenance		1,078.26
Office Printer Lease		1,291.39
Replacement Computer		
Refurbishment of Office		
Phone System Lease		1,629.16
Office Supplies		555.35
Printing		
Computer Software/Consumables		
Parish Newsletter		1,090.00
Website Hosting/Updates		262.20
Audit Fees		873.25
Subscriptions (WALC and NALC)		1,181.49

**New Frankley in Birmingham Parish Council
STATEMENT OF ACCOUNTS**

	RECEIPTS	PAYMENTS
Advertising - Publicity		
Training		
Unity Service Charges		105.10
Visa Lloyds Credit Card Service Charges		83.00
Public Liability Insurance		1,050.49
Data Protection Officer		47.00
CCTV System		
Council Discretionary Fund		
Chairman Allowance	130.00	1,170.00
Payroll Outsource		439.50
New Community Grants		
Christmas Tree Costs		260.00
Frankley Carnival & Community Events		5,000.00
Maintenance Notice Boards		
Defibrillator Annual Inspection		135.00
Winter/Summer Planters		
New Grants Seed Pot		
Frankley Community Awards		
Poop Scoops		1,222.66
Frankley Neighbourhood Forum		
Gardening Services		1,190.00
Frankley Street Champions		120.54
Frankley Truck	1,500.00	6,240.97
Elections Costs		
Provision for Elections		
Flood Provision		
PAYE STAFF QUARTER		4,153.11
Insurance Claim		
TRUCK TRANSIT 350 MWBCAGE TIPPI		15,340.00
VAT		5,057.50
	92,426.01	100,221.34
Closing Balances:		
Balances in Bank Account		100,409.32
Cash in Hand		168.82
TOTAL	200,799.48	200,799.48

The above statement represents fairly the financial position of the council as at 31 Mar 2026

New Frankley in Birmingham Parish Council
STATEMENT OF ACCOUNTS

RECEIPTS

PAYMENTS

Signed

M Farrell
Responsible Financial Officer

Date

04/06/2026

New Frankley in Birmingham Parish Council
Annual Return

Accounts for Year from 01/04/2025 to 31/03/2026

This is prepared based on the information in "Governance and Accountability for Local Councils : a Practitioners' Guide"

Important note: These figures have been prepared on a RECEIPTS and PAYMENTS basis.

* Note :- An asterisk to the right of the box below indicates it is an item that has changed by more than 15% and £200 from the previous year and probably warrants a comment in your notes. This is only an indication and should not be considered exclusive. You will only see asterisks if this is the second year you have used the report.

Box No.	Description	Year ending		
		31/03/2025 £	31/03/2026 £	
1	Balances brought fwd	95,710.12	108,373.47	
2	Annual precept	59,308.00	48,656.00	*
3	Total other receipts	44,053.16	43,770.01	
4	Staff Costs	39,152.13	44,597.58	
5	Loan interest/capital repayment:	0.00	0.00	
6	Total other payments	51,545.68	55,623.76	
7	Balances carried forward	108,373.47	100,578.14	
8	Total Cash and Short Term Inve	108,373.47	100,578.14	
9	Total Fixed Assets and Long Ter	62,183.82	76,528.81	*
10	Total Borrowings	0.00	0.00	

New Frankley in Birmingham Parish Council
ANNUAL RETURN - Section 2 : Statement of Accounts

Explanation of variances

This is prepared based on information in "Governance and Accountability for Local Councils : a Practitioner's Guide"

Important note: These figures have been prepared on a RECEIPTS and PAYMENTS basis.

Box No.	Description	31/03/2025 £	31/03/2026 £	Variance £	Variance %	Explanation Required?	Notes
1	Balances brought fwd	95710.12	108373.47				BALANCE B/F AGREES
2	Annual precept	59308.00	48656.00	-10652.00	18%	Yes	
3	Total other receipts	44053.16	43770.01	-283.15	1%	No	
4	Staff Costs	39152.13	44597.58	5445.45	14%	No	
5	Loan interest/capital repayments	0.00	0.00	0.00	0%	No	
6	Total other payments	51545.68	55623.76	4078.08	8%	No	
7	Balances carried forward	108373.47	100578.14	-7795.33	7%	No	
8	Total Cash and Short Term Investments	108373.47	100578.14	-7795.33	7%	No	
9	Total Fixed Assets and Long Term Investments	62183.82	77523.82	15340.00	25%	Yes	PURCHASE OF 350 MWB CAGE TIPPER TRUCK FORD TRANSIT ON 19 JUNE 2025
10	Total Borrowings	0.00	0.00	0.00	0%	No	

This report is intended as a guide to the variances you may need to explain. The specific requirements vary between external auditors so please check the requirements shown on the pro forma provided to your council

Please note a breakdown of approved reserves will also be required if the total reserves (Box 7) figure is more than twice the annual precept value (Box 2)

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 2026

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

NOTICE	NOTES
<p>1. Date of announcement: Friday 19 June 2026 (a)</p> <p>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.</p> <p>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 2026, these documents will be available on reasonable notice by application to:</p> <p>(b) Rachael Anstey, Clerk, 12 Arden Road, Rubery, Rednal, Birmingham, B45 0JA 0121 457 9410</p> <p>commencing on (c) Monday 22nd June 2026</p> <p>and ending on (d) Friday 31st July 2026</p> <p>3. Local government electors and their representatives also have:</p> <ul style="list-style-type: none">• The opportunity to question the appointed auditor about the accounting records; and• 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. <p>The appointed auditor can be contacted at the address in paragraph 4 below for this purpose between the above dates only.</p> <p>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 2024. The appointed auditor is:</p> <p>Moore Newtown House, Northampton Science Park, Kings Park Moulton Park Northampton NN3 6LG</p> <p>5. This announcement is made by (e) Margarita Fackrell</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 exactly 30 working days before the date appointed in (d) below</p> <p>(d) The inspection period between (c) and (d) must be 30 working days inclusive and must 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>

New Frankley in Birmingham Parish Council

UPDATED ASSET REGISTER - March 2026

Asset Description	Purchase Date	Book Value	
		£	
Oil Filled Radiator (1 scrapped & other no longer used)	November 2009	0.00	Stolen at the break down
Parish Notice Board	September 2010	1,427.00	Reaside Center
	Carried Forward	1,427.00	
War Memorial	Brought Forward	1,427.00	
Snow Clearing Equipment	September 2017	5,000.00	Outside Arden Shops
Additional Parish Notice Board	February 2013	562.00	Available at Kremlin 1
Windows 10 Computer Tower/Monitor/Keyboard and Mouse	September 2013	490.00	Wareham Road
Office Vertical Blinds	November 2015	510.00	Located main office
Desktop wireless keyboard/mouse	May 2016	223.20	located small office
	April 2016	35.00	Located main office
	Carried Forward	8,247.20	

March 2019

Brought Forward

8,247.20

Office Based CCTV	April 2016	423.60	Located main office
Office Furniture	May 2016	3,789.79	In use through offices
Fridge	July 2016	109.99	In use in meeting hall
A3 Epson Colour Printer	September 2016	0.00	disposed off
Reception Desk Intercom	December 2016	48.44	Located main office
Shredder	January 2017	0.00	Broken disposed off
Additional Public Seating	January 2018	194.40	In use in meeting hall
2 Oak Book Cases	January 2019	259.50	In use in meeting hall
Outdoor Flower Planters 6x£250 each	January 2019	0.00	Closed down
Fully Automatic Defibrillator plus protective case	March 2019	2,120.00	Available outside shops
Computer projector	January 2020	60.00	In office storage

15,252.92

March 2020

Brought Forward

15,252.92

2 off Lenovo IdeaPad and screens	May 2015	659.00	Located main office
kick step FOR Office	October 2019	39.99	In use in meeting hall

Key Safe large	October 2019	24.99	In use on meeting hall wall
2 OFF Key Safes (Small)	October 2019	21.99	One lost/Only 1 main office
		15,998.89	
March 2021	Brought Forward	15,998.89	
CCTV Installation changes	January 2021	31,600.80	Outside front and rear office
Noticeboard	November 2021	1,920.00	Replaced outside front
		49,519.69	
Mar-22	Brought Forward	49,519.69	
CCTV Additional Installation Charges	March 2022	3,413.60	Installed outside
Laptop	March 2022	599.99	In use by RFO
	Brought Forward	53,533.28	
March 2023	Brought Forward	53,533.28	
600 Desk High Pedestal, Silver S Handles	December 2022	150.00	In use in RFO office
1200x600 Table Oak & Silver	December 2022	99.00	In use in meeting hall
Yale digital safe	December 2022	47.59	In use in RFO office
2 Laptop pre-2018	April 2023	50.00	in use in front office
Microwave	April 2023	90.00	In use in meeting hall
6LTR Water Extinguishers 2pc.x 55	April 2023	110.00	In use in office Hall
		54,079.87	
March 2024	Brought Forward	54,079.87	

Kremlin 1 outside at rear	Unknown purchase date	2,500.00	Outside rear of office
Kremlin 2 outside at rear	Unknown purchase date	3,000.00	Outside rear of office
		59,579.87	
November 2024	Brought Forward	59,579.87	
Dehumidifier	May	0.00	Stolen in september
Dehumidifier	September	159.98	Outside storage
Office Shredder	November	0.00	Broken refunded
Lenovo Laptop	November	499.99	In use by Assistant Clerk
		60,239.84	
January 2025	Brought Forward	60,239.84	
Office Shredder Bonsaii with 4 wheels, 23 l bin	January	135.99	In meeting room
Vax Spot Wash Cleaner	January	83.00	In parish office storage
ANNKE CCTV Surveillance wall mounted+DVR Video Recdr.	February	134.99	In front parish office
		60,593.82	
September 2025	Brought Forward	60,593.82	
Laptronix Instant Hot Water Dispenser	July	44.99	in parish office
		60,638.81	
November 2025	Brought Forward	60,638.81	
Outdoor flower planters 2x£275	November	550.00	in front of parish office
Transit 350 MWB CAGE TIPPER with Tail Lift 2.0 TDCI White	June	15,340.00	outside rear parking
		76,528.81	