

Black Rose Solutions Ltd

Internal Audit - Report

Name of Council - **Perton Parish Council**

Date of Audit - **28th April 2026**

Annual Return - Internal Control Objectives

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| A. Appropriate accounting records have been properly kept throughout the financial year. | YES |
| Is the cashbook maintained and up to date? | ok |
| Is the cashbook arithmetic correct? | ok |
| Is the cashbook regularly balanced? | ok |
| Accounts are prepared using the Edge Accounting system. No issues noted. | |
| B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for. | YES |
| PG.B.4 ● Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments | ** |
| Are payments supported by invoices? | yes |
| Is all expenditure approved? | yes |
| Is VAT appropriately accounted for? | yes |
| Does the Council hold Power of Competence? | yes |
| Re adopted? | 15/05/2023 |
| If not, does the council monitor s137 expenditure against limit? | n/a |
| Items for payment are emailed to councillors for approval, and then online payment is made on the sole authority of the clerk or deputy. It is no longer a requirement to have dual approval as long as the council is aware of the risks and has robust control measures in place. | note |
| All payments are presented to council and minuted as approved retrospectively. The clerk monitors payments via a spreadhseet, and the deputy via the Edge Financial system. Bank reconciliations are reviewed by the celrk,, deputy and two councillors. | |
| C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these. | YES |
| Does a review of the minutes identify any unusual financial activity? | no |
| Do minutes record the council carrying out an annual risk assessment? | yes |
| Is Insurance cover appropriate and adequate? | yes |
| Are internal financial controls documented and regularly reviewed? | yes |
| | Review |
| | Risk Assessment |
| | 12/05/2025 |
| | Financial Regulations |
| | 09/06/2025 |
| | Standing Orders |
| | 12/05/2025 |

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| D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate. | | YES |
| Has the council prepared an annual budget in support of its precept? | | yes |
| Is actual expenditure against the budget regularly reported to the council? | | yes |
| Are there any significant unexplained variances from budget? | | no |
| Does the precept recorded agree to the Council Tax authority's notification? | | yes |
| Are reserves appropriate? | | yes |
| | Earmarked Reserves | 54,873 |
| | General Reserves | 170,864 |
| | Months of Income | 5 |
| | Months of expenditure | 5 |
| The council holds General Reserves (Cash flow/Contingency) of 5 months of Net Revenue Expenditure - this is within guideline levels of 3 to 12 months (larger councils being closer to 3) | | |

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| E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for. | | YES |
| Is income properly recorded and promptly banked? | | yes |
| Are security controls over cash and near-cash adequate and effective? | | yes |
| Is the council VAT registered? | | no |
| Are returns submitted in a timely manner? | | yes |
| Is VAT reclaimed on exempt business activities reviewed and considered insignificant? | | yes |
| Are receipts for business activities within the registration threshold? | | yes |
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| F. Cash payments were properly supported by receipts, all petty expenditure was approved and VAT appropriately accounted for. | | N/a |
| The council holds no cash | | |

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| G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied. | | YES |
| Do all employees have contracts or employment with clear terms and conditions? | | yes |
| Do salaries paid agree with those approved by the council? | | yes |
| Are other payments to employees reasonable and approved by the council? | | yes |
| Have PAYE/NIC been properly operated by the council as an employer? | | yes |
| Does line 4 include only Salary, NI & Pension | | yes |
| Does the council monitor off payroll working (IR35) | | n/a |
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| H. Asset and investments registers were complete and accurate and properly maintained. | YES |
| PG.5.65. Assets that do not have a functional purpose or any intrinsic resale value (for example, a village pond or war memorial) are often referred to as 'community assets'. Authorities should record community assets in the asset register in the same way as gifted assets | ** |
| PG.5.178. The term 'fixed assets' mean property, plant and equipment with a useful life of more than one year used by the authority to deliver its services. Fixed assets are also known as non-current assets. | ** |
| PG.5.184. Assets sited on third party property remain assets of the authority. It is essential that authorities are in possession of documentary evidence of permission to site such assets on third party land. This evidence may consist of a formal lease or simply permission to occupy. | ** |
| Does the council maintain a register of all material assets owned or in its care? | yes |
| Are the assets and investments registers up to date? | yes |
| Do asset insurance valuations agree with those in the asset register? | yes |
| During the year, the council has created a hardstanding on leased playing fields. This had not been included on the asset register. The Practitioners Guide (5.178 & 5.184) suggests that this should be included, on a "leasehold improvements" basis. | note |
| The war memorial boulder is included in the asset register at £1, as it was a gift. There are other memorials included at cost value. The practitioners guide suggests that war memorials be treated like a community asset and included at £1, however, if there is an intrinsic value (i.e. the value of the stone) there is a case for including at cost. | note |
| The council should consider whether to adjust these two items. The purpose of the asset register is to monitor continued ownership, list assets for consideration of risk and insurance. The actual value reported has no accounting purpose, there is no balance sheet, or depreciation, all capital expenditure is included in Line 6 - Other Payments. It is required that the valuation is consistent, and guidance is given in the practitioners guide. | note |
| I. Periodic and year-end bank account reconciliations were properly carried out. | YES |
| Is there a bank reconciliation for each account? | yes |
| Is a bank reconciliation carried out regularly and in a timely fashion and approved by council? | yes |
| Are there any unexplained balancing entries in any reconciliation? | no |
| Is the value of investments held summarised on the reconciliation? | yes |
| J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded. | YES |
| Are year end accounts prepared on the correct accounting basis (receipts and payments or income and expenditure) ? | I&E |
| Are debtors and creditors properly recorded? | yes |
| Do accounts agree with the cashbook? | yes |
| Is there an audit trail from underlying financial records to the accounts? | yes |

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| K. If the authority certified itself as exempt from a limited assurance review in 24/25, it met the exemption criteria and correctly certified itself exempt | N/a |
| The council did not certify itself exempt | |

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| L. The authority publishes information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation. | YES |
| All councils - Accounts and Audit Regulations 2015 | yes |
| Accounts remain published for 5 years | |
| ICO Publication Scheme | yes |
| Transparency Code for Larger Authorities (income/expenditure >£200k) | |
| Quarterly:- | |
| All items of expenditure above £500 | yes |
| Procurement information (initiations to tender > £5k) | n/a |
| Annually:- | |
| local authority land | yes |
| grants to voluntary, community and social enterprise organisations | yes |
| organisation chart | yes |
| senior salaries (>£50k) | no |
| constitution (standing orders) | yes |
| pay multiple | no |
| Councils with turnover above £200k should as best practice comply with the Transparency Code. The council may also wish to consider Freedom of Information regulations in terms of what needs to be made available (either on website or via other published means) | |

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| M. The authority has demonstrated that during summer 2025 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations. (Evidenced by website or minutes) | YES |
| Approval Date (meeting) | 12/05/2025 |
| Publication Date (announcement date) | 02/06/2025 |
| Date from (commencement date) | 03/06/2025 |
| Date to | 14/07/2025 |

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| N. The authority has complied with the publication requirements for 2024/25 AGAR. | YES |
| Notice of Period for Exercise of Electors Rights | yes |
| Section 1 Annual Governance Statement | yes |
| Section 2 Accounting Statements | yes |
| Notice of Conclusion of Audit | yes |
| Section 3 External Audit Report & Certificate | yes |
| Internal Audit Report | yes |
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| O. The authority complied with laws, regulations & proper practices relating to digital and data compliance. | YES |
| Use a single generic email address on an authority owned domain. | yes |
| Website Accessibility tested and published annually | WCAG 2.2 Apr 26 |
| Data Audit Completed | Mar-22 |
| Data Protection Policy Reviewed | Mar-22 |
| IT policy Reviewed | Jun-25 |
| The council's data audit and Data Protection policies were on a 4 year review cycle, and due for review in May-26. If any amendments were required sooner, staff would bring them for review sooner. This will be updated to be reviewed annually. | |
| P. Trust funds (including charitable) – The council met its responsibilities as a trustee. | N/a |
| The council is not a trustee | |