AUDITING SOLUTIONS LTD

Oldbury on SevernParish Council

Internal Audit Report: 2024-25

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Background

Statute requires all town and parish councils to arrange for an independent Internal Audit (IA) examination of their accounting records and systems of internal control and for the conclusions to be reported each year in the Annual Governance and Accountability Return (AGAR).

This report sets out the work undertaken in relation to the 2024-25 financial yearduring our visit to the Memorial Hall on 14thMarch 2025 and our subsequent remotely undertaken review of the accounts for 2024-25. We thank the Clerk in assisting the process, providing requested documentation in electronic format to facilitate completion of our review for the year. Unfortunately, the March visit to the Hall was to a great degree abortive as only limited financial records were available for our examination.

Internal Audit Approach

In undertaking the year's review, we have again had regard to the materiality of transactions and their susceptibility to potential mis-recording or misrepresentation in the year-end Statement of Accounts/AGAR. Our programme of cover is designed to afford appropriate assurance that the Council's financial systems remain robust and operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'IACertificate, as part of the Council's AGAR process, which requires independent assurance over several internal control objectives.

Overall Conclusion

We have again identified a number of areas where action remains to be taken to provide a formal and accurate record of the financial year's transactions and comply with the requirements of "The Practitioner's Guide". Detail of identified issues are set out in the body of the following report with resultant recommendations further summarised in the appended Action Plan. We ask that the report be presented to the Council and responses to the recommendations be provided indicating the Council's intended actions to address them in due course.

Based on the conclusions drawn from our programme of work, we have duly signed off the IA Certificate in the year's AGAR assigning appropriate assurances in each relevant area with a few negatives: the Council will need to carefully consider its own assertions in the AGAR at Section 1.

This report has been prepared for the sole use of Oldbury on Severn Parish Council. To the fullest extent permitted by law, no responsibility or liability is accepted by Auditing Solutions Ltd to any third party who purports to use or rely, for any reason whatsoever, on this report, its contents, or conclusions.

Detailed Report

Review of Accounting Arrangements & Bank Reconciliations

Our objective here is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in the accounting records: a single NatWest bank account remains in use, together with an NS&I account to which interest is added once annually in January.

At our meting with the Clerk in March 2025, we learnt that use of the former NatWest accounting software had been discontinued during the current financial year. Whilst we acknowledge the existence and maintenance of a spreadsheet record providing a month by month and cumulative analysis of receipts and payments against the Council agreed budget headings throughout the year, no formal "cashbook" recording detail of the individual transactions during the year appears to have been maintained. Consequently, at our March meeting with the Clerk, we provided her with an Excel workbook / spreadsheet format of cashbook in use by a number of our clients. That workbook is designed to provide detail of the opening balances on each bank account with quarterly worksheets to record the quarter's transactions with appropriate analysis across various receipt and payment headings. The worksheets also generate closing balances on each account at the end of each quarter and a meaningful quarter-end bank reconciliation to the supporting bank statements.

The clerk consequently agreed to populate the provided cashbook with relevant detail of the Council's quarterly transactions and to provide a copy of the document once the year's transactions had been recorded therein. This was duly provided towards the end of May: however, when we examined the content of the resultant document, we noted a number of incorrect transaction detail entries including the incorrect value of the NS&I account opening balance (understated by £30.00), the non-analysis of payments between the net value and related VAT and in the final quarter for the year, the non-totalling of payment entries. In checking detail against the relevant bank statements, we noted a few further incorrectly recorded values for receipts and payments, the non-entry of a number of receipts in February 2025 and the inclusion of the bank deposit account interest received in January 2025 in the recorded brought forward balance from 31st December 2024 as the opening balance on 1st January 2025 with no recording of the earned interest in the appropriate analysis column. We also noted the absence of detail of one of the monthly standing order payments (6th February 2025) to "Daisy" in the cashbook.

Finally, we noted that the inbuilt quarterly bank reconciliation detail had not been completed, which would have assisted in identification of the various omitted and misstated entries in the cashbook detail. We returned the cashbook to the Clerk highlighting the above anomalies which she has duly corrected leading to preparation of meaningful bank reconciliations at the financial year-end and at each of the year's quarter-ends.

Consequently, we have now been able to agree detail of the financial values to be recorded in the AGAR at section 2 in readiness for its formal adoption by the Council and submission to the external auditors.

We note that monthly "Finance reconciliations" have been prepared during the financial year based on the rolling analysed budget report maintained during the year (generally to 25th of the month): we also note that these reconciliations together with detail of monthly schedules of receipts and payments through the current account are presented to members and signed off by the Finance lead member and Council Chairman. Whilst these afford an effective means of monitoring receipts and payments against the approved budget, they do not provide a true accounting "cashbook" purely reconciling the opening bank balance plus the period's receipts less payments to the month-end bank balance.

As indicated above, we have undertaken the following specific detailed testing / examination of the cashbook for the financial year: -

- Checked and agreed the accuracy of the brought forward 2023-24 closing account balances as opening balances for 2024-25 in the accounts, subject to the amendment of the deposit account balance following our initial review;
- Checked, due to their relatively low volume, the full year's transactions on both bank accounts as recorded in the spreadsheet cashbook by reference to the supporting bank statement details (again, following amendment of the identified mis-recorded values and omitted entries);
- Reviewed the accuracy of a sample of Finance reconciliations prepared monthly during the year, as well as the above referenced quarterly and year-end cashbook reconciliations following update by the Clerk subsequent to our review of the initially provided cashbook detail; and
- Ensured the accurate disclosure of the combined year-end account balances in the AGAR at Section 2, Box 8.

Conclusions and recommendations

Whilst we are pleased to note and record that the Finance lead member, Council Chairman and members are receiving and approving detail of monthly receipts and payments and a Finance reconciliation, no formal cashbook was being maintained for the bulk of the year. We thank the Clerk for taking on board and entering financial detail in the spreadsheet cashbook format we provided for the year and are pleased to note her intention to again use the format for recording the 2025-26 financial transactions.

However, given the level of transaction recording errors identified in the provided 2024-25 cashbook, we urge that, in addition to the monthly Financial Reconciliations being prepared, each quarter-end bank reconciliation in the provided spreadsheet cashbook should be prepared, which would help identify any possible mis-recorded detail and ensure accurate recording of the year-end financial values in the AGAR.

The previously adopted (2020) Financial Regulations (FRs – Para 2.2) in addition to requiring the review and sign-off of bank reconciliations at least once quarterly, require that the supporting original bank statements should also be signed off by the reviewing member: we have seen no indication that the bank statements have been signed off.

Given the above issues, we will have to give a negative response to Box A in the year's AGAR.

R1. The provided spreadsheet cashbook format should be used and be maintained currently throughout the financial year with the embedded quarterly bank reconciliations completed to help ensure accuracy of entered data.

R2. In accordance with the Council's extant Financial Regulations, when checking the monthly / quarterly Finance reconciliations, the Lead member should also sign off copies of the supporting bank statements: these should be retained for audit inspection.

Review of Corporate Governance

Our objective here is to ensure that the Council has robust corporate governance documentation and procedures in place; that Council meetings are conducted in accordance with the adopted Standing Orders (SOs), that appropriate controls are in place over the management of public fundsand that, as far as we are reasonably able to ascertain as we do not attend meetings, no actions of a potentially unlawful nature have been or are being considered for implementation.

To meet that objective, we have examined the Council's minutes for the financial yearand to date in 2025-26 to determine whether any issues exist that may have an adverse effect, through litigation or other causes, on the Council's future financial stability and are pleased to record that no such issues have been identified.

We understand that the Council has reviewed and adopted the recently promulgated revised NALC model SOs and FRs at the May 2025 full Council meeting. We also note that both documents were to be further examined by councillors with any suggested amendments due to be considered and adopted at the next Council meeting: we will monitor the outcome of that further review as part of our 2025-26 review process. We do, however, take this opportunity to draw the Council's attention to a potential issue which may not have been identified / addressed as yet by the Council. Both the latest NALC model SOs and FRs refer to a limit of £60,000 for formal tender action (Para 18.1.v and 5.6 respectively): the Council's previously adopted SOs and FRs refer to a formal tender limit of £25.000, which value we consider more appropriate for a Council the size of Oldbury.

We note that the external auditors signed off the 2023-24 AGAR witha few references to oversights when completing the year's AGAR and drawing further attention to the need for appropriate action to be taken in relation to weaknesses identified in our report for that year. Consequently, the Council will need to ensure the accurate completion of the year's Governance Statement clarifying the actions taken to ensure appropriate compliance with the assurances required and given therein.

In examining the Council's website, we have seen no indication that the requisite Notice of Public Rights affording local electors the opportunity to scrutinise the Council's financial records / information has been posted. Legislation requires that such a notice is posted affording the public opportunity to examine said records for 30 working days.

Whilst not subject to the reporting requirements of the Transparency Code for Smaller Authorities as the Council's annual turnover exceeds the £25,000 threshold, we consider that, as recorded in last year's report, the Council's current level of information provision on its website falls well short of best practice and the expected disclosures. As turnover generally only marginally exceeds the threshold for such disclosures to be statutorily recorded on the Council's website and, in line with best practice, we suggest that the Code's required information should, ideally, be posted on the website.

Conclusions and recommendation

As indicated above, we suggest that the Council posts a raft of appropriate information in line with the requirements of the Transparency Code for Smaller Authorities. Due to the above issues, we shall have to give a negative response in the IA certificate at Boxes L & N.

R3. When reviewing and adopting the latest NALC model Standing Orders and Financial Regulations, consideration should be given to setting a more appropriate value for formal tender action than the £60,000 set out in thelatest NALC documents.

R4. In line with best practice, the Council should consider posting a raft of information on its website in line with the requirements of the Transparency Code for Smaller Authorities.

R5. In line with legislative requirements, the annual Notice of Public Rights to inspect the Council's financial records must be posted on the website.

Review of Expenditure

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and approved budgets;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- All payments are being reported to Council;
- VAT has been calculated correctly for periodic recovery;
- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount;and
- That all payments have been coded appropriately.

We note that hard copies of purchase invoices are not retained, members being provided with "soft" copies and a supporting schedule each month which they check and then advise the Clerk to proceed with payment through the NatWest currentaccount, which she duly sets up and releases. We have selected a sample of 24 individual payments during the year totalling £15,470 equating to 58% of non-pay related payments copies of which the Clerk has kindly provided in electronic format.

In checking the cash book entries for two of our test sample, we noted that in one case (Murdoch Signs paid on 15th April 2024) payment was actually made as £480.00, whilst the supporting invoice was only for £468.00. In the second case (Amazon paid on 6th November 2024) payment was actually made as £159.99 whilst the supporting invoice was for £169.99.

As also identified in last year's report, full and appropriate documentation was not available to support a few further payments such as those to "Daisy" with the result that the Clerk has been unable to verify and record accurately the amount of expended VAT on each such payment for recovery from HMRC.

The absence of any formal evidence confirming members' scrutiny of invoices and the above two incorrect physical payments casts doubt on the effectiveness of member scrutiny and the overall approval process. We would, as a minimum, expect to see that all invoices are duly signed off / initialled and dated by the reviewing and approving (for payment) councillor(s) thereby evidencing their effective discharge of their fiduciary responsibilities over those elements of public funds usage. In line with best practice, we urge that consideration be given to the acquisition of a suitably designed rubber certification stamp to be affixed to every invoice / payment supporting document being signed off accordingly by the Clerk confirming receipt of goods / services and arithmetic accuracy of the invoice for payment, together with the approving councillor(s) signature / initials and date of approval.

We also urge that, even if hard copy documents are not to be retained, a hard copy should be printed initially and be signed off by the Clerk and approving councillor(s) invoices confirming effective scrutiny and approval for payment: they could / should then be scanned and retained accordingly in electronic format for audit examination.

Conclusions and recommendations

We are concerned to note the identified errors in processing the two referenced invoices among our test sample during the year, which has cast doubts on the effectiveness of members' scrutiny of documentation supporting payments. Additionally, whilst not implying or wishing to imply any malpractice on the part of the clerk as having occurred, in these days of increasing fraudulent activity on bank accounts by third parties, we suggest that to afford a further degree of protection to the clerk against any potential allegation of malpractice in the event that the Council's bank account(s) are hacked and public funds stolen, we urge that a degree of segregation of duties between setting up and

physically releasing payments be implemented, although we understand that this may not be practicable with NatWest.

R6. Appropriate arrangements should be put in place for members to demonstrate the effective discharge of their fiduciary responsibilities over public funds, with a reviewing councillor (or two) signing off / initialling hard copy invoices confirming approval of the payable amount on each invoice / payment document.

R7. The certified invoices should then either be retained in hard copy format for audit inspection or be scanned and saved electronically once they have been "signed off" as approved for payment.

R8. Efforts should be made to acquire appropriate documentation supporting all payments, such as those to utility companies and Daisy to facilitate the identification of any recoverable VAT to be included on the periodic reclaims prepared and submitted to HMRC.

Assessment and Management of Risk

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks identified in order to minimise the opportunity for their coming to fruition.

We noted in last year's report that the appropriately detailed Governance and Risk Registerwas reviewed and formally re-adopted by the Council at the meeting held in March 2023. We also advised that we considered the document appropriate for the Council's then requirements.We have seen no indication of any subsequent review of the register up to May 2025 where the minutes record the document's formal re-adoption. The Practitioner's Guide requires that the Council should review and adopt its formal risk register at least once annually. In the absence of such action between July 2023 and May 2025, we shall have to give a negative assurance in the year's AGAR IA Certificate at Box C, as will the Council in the Governance Statement at Box 5.

Hiscox provides the Council's insurance cover: we have examined the year's schedule andconsider that appropriate cover is in place with Employer's and Public Liability both set at £10 million, and Fidelity Guarantee cover at £500,000 all of which we consider appropriate for the Council's present requirements.

We have recorded previously that inspections of the playing fields and the attached play area are undertaken annually by RoSPA with further on-site inspections undertaken by members of the Playing Field Committee (PFC). We also note that appropriate on-site training has been given to the committee members undertaking the periodic on-site reviews with RoSPA recommended records of the results completed and retained.

Conclusionsand recommendation

As indicated above, the Governance and Risk Register should be subjected to at least once annual review and formal re-adoption in accordance with the requirements of The Practitioner's Guide.

R9. The Council's Governance and Risk Register must be reviewed and re-adopted at least once annually, as required by "The Practitioner's Guide". The absence of such action during the 2024-25 financial year will require a negative assurance from us in the AGAR's IA Certificate and from the Council in the Governance Statement.

Budgetary Control and Reserves

We aim in this review area to ensure that the Council has appropriate procedures in place to determine its future financial requirements leading to the adoption of an approved budget and formal determination of the amount to be precepted on the parent Council; that effective arrangements are in place to monitor budgetary performance throughout the financial year and that the Council has identified and retains appropriate reserve funds to meet future spending plans.

We are pleased to note that the Council has considered its budgetary requirements for 2025-26agreeing the budget and precept at the December 2024 meeting formally approving and adopting the latter at £23,768.

We note that the Council's total funds have reduced marginally at the financial year-end with a combined account balance of £59,269 (£61,625 at 31st March 2024), which value includes a raft of earmarked reserve funds totalling approximately £31,150. We are also pleased to note that members continue to receive detailed budget performance reports each month during the year.

Conclusions

We are pleased to record that no issues arise in this area warranting formal comment or recommendation.

Review of Income

In considering the Council's income streams, we aim to ensure that robust systems are in place to ensure the identification of all income due to the Council from its, usually relatively limited sources, to ensure that income is invoiced where appropriate, in a timely manner and that effective procedures are in place to pursue recovery of any outstanding monies due to the Council. We have examined detail of bookings in February 2025 ensuring appropriately priced invoices have been raised in relation to both the regular Busy Bees bookings and occasional casual hires during that month with no issues arising.

Conclusions

We are pleased to advise that no issues arise in this area this year warranting formal comment or recommendation.

Petty Cash Account

The Council does not operate a petty cash account or hold any cash change floats.

Review of Staff Salaries

In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the requirements of HMRC legislation and the deduction and payment over of income tax and NI contributions.

Consequently, we have checked the salary payments for the Clerk for April and November 2024 by reference to the supporting copy payslips provided by the Clerk, the latter month recording the monthly salary based on the 2024-25 agreed national pay award together with arrears backdated to 1st April 2024. In doing so, we have noted that the November basic gross salary has been calculated on the basis of the

pay award's published hourly rate multiplied by the Clerk's contracted 10 weekly working hours and 52 (weeks) and divided by 12 (months). However, the 2024-25 agreed pay award hourly rates have been calculated by the NJC on the basis of there being 52.143 weeks in the year (i.e. 365 days divided by 7). Consequently, the November and subsequent months' gross salary payments have been incorrectly calculated resulting in the underpayment of the Clerk's monthly gross salary and arrears payable since 1st April 2024. The simplest and most accurate way of calculating the Clerk's monthly gross salary payable is to apply the annual NJC salary divided by 12 (months) and multiplied by 10 (the Clerk's contracted weekly hours) divided by 37 (the NJC nationally agreed standard working week).

In examining these 2 months' payslips and payments to HMRC processed during the financial year it appears that the monthly payments to HMRC only relate to the Clerk's tax deductions with no payment made in relation to the Council's monthly NI contributions (the Clerk's earnings being below the threshold so no NI contribution re required from her). Furthermore, we have noted that, in recording the tax contributions for the year from 1st October 2024 to 31st March 2025, they have been recorded in the "Pension" analysis column in the cashbook rather than in the "Tax / NI" column. Whilst not affecting the total "Staff cost" entry to be made in the AGAR Section 2 at Box 6, care should be taken to help ensure that accurate analysis is applied in the cashbook for budgetary reporting purposes.

We also note that the monthly "home working" paymentshavebeen included in the "Staff costs" column in the cashbook: we are pleased to note that the Clerk is aware that the cost of this allowance should not be recorded in Section 2, Box 4 of the AGAR, but as an "other expense" in Box 6 and suggest that a further analysis column be provided in the cashbook to help avoid the possible inclusion of the allowance in the wrong box in the AGAR.

We also understand that payroll preparation has been devolved to a family member of one of the councillors: whilst not a significant concern, we suggest that payroll preparation should ideally be undertaken by a wholly independent company who should provide the Clerk with all relevant information to ensure that the correct monthly gross salary, accurate and total monthly payments to both HMRC and NEST are appropriately advised to the Clerk and Council for accurate and complete payments to be made.

Conclusions and recommendations

Appropriate action is required to ensure the accurate recalculation of the Clerk's monthly gross salary paid throughout 2024-25 and to date in 2025-26 based on the NJC advised hourly pay rate for the year (for 52.143 weeks, not 52), including arrears and any overtime payments for extra hours worked. The apparent underpayment of the Council's NI contributions for the year should also be calculated and paid over to HMRC accordingly.

Given the incorrect application of the 2024-25 national pay award in calculating the Clerk's gross monthly salary for the financial year and the apparent monthly underpayments made to HMRC in relation to the Council's NI contributions, we shall have to give a negative assurance at Box G in the IA Certificate for the year.

R10. Responsibility for preparation of the monthly payroll should, ideally, be outsourced to a wholly independent company with full detail provided to the Clerk of her net salary payable monthly, together with the amount due to HMRC (tax and Employer's NI) and NEST (employee and employer contributions).

R11. The 2024-25 gross monthly salaries payable to the Clerk should be recalculated based on the NJC advised hourly rate, which is calculated on the basis of there being 52.143 weeks in the year (not 52), as apparently applied when implementing the 2024-25 national NJC advised pay award.

R12. Care should also be taken to ensure the accurate analysis of payments in the cashbook to help ensure the accurate disclosure of staff costs in the AGAR.

Fixed Asset Registers

The Practitioner's Guide requires all Councils to maintain a comprehensive register of all assets owned and leased by the Council. We noted last year the existence of an appropriate register maintained within the previously used Scribe accounting software. Having moved away from the Scribe accounts in 2023-24, that register was not maintained during 2023-24, with the 2022-23 asset value again recorded in the 2023-24 AGAR at Section 2, Box 9.

We understand that the Clerk is in the process of updating the asset register to include detail of new acquisitions during 2023-24and 2024-25: in last year's report, we noted that the Clerk had started to prepare an updated asset register, which only recorded a total asset value of £11,528 compared with the prior two years AGAR recorded values of £184,771. Once the Clerk's review and update of the register is completed, including the addition of new assets (such as the new printer in 2024-25), the updated value should be recorded in the 2024-25 AGAR at Section 2, Box 9.

Many of our clients have also developed photographic records of their stock of assets which have assisted insurance reclaims and police investigations where damage has occurred to Council property either accidentally or through wilful damage.

Conclusions and recommendations

As reported last year, an obvious and urgent need exists to ensure that a comprehensive and accurate asset register is prepared recording appropriate detail of all Council owned assets held at 31st March 2025 with, where known, the purchase cost recorded net of any VAT: where the cost price is unknown, the former Scribe register values should be recorded.

The Practitioner's Guide provides full detail on what should form the content of the asset register and the basis of the financial values to be applied. The current absence of a meaningful asset register as a 31st March 2025 will also require us to assign a negative assurance in the AGAR IA Certificate at Box H.

R13. The Clerk and Council must ensure that a comprehensive and complete asset register is created and maintained currently throughout each financial year with appropriate values assigned based on purchase cost, net of VAT.

R14. As recommended previously, the Council should also consider developing a photographic record of its asset stock to assist the smooth progression of any insurance claim in the event of any accidental or wilful damage occurring.

Investments and Loans

The Council has no "investments" or "loans" in place currently, with any "surplus" funds held in an NS&I account.

Statement of Accounts and AGAR

The AGAR, Section 2, now forms the Council's formal Statement of Accounts subject to external audit examination and certification, detail of which we have agreed to the prepared spreadsheet of the year's

transactions, except in relation to assets, with no additional issues arising to those matters detailed in previous sections of the report.

Conclusions

We are pleased to record that no additional issues have arisen in this review area warranting further comment or recommendation, although, as indicated in earlier sections of this report, we have had to assign negative assertions to a few of the IA Certificate details where the Council has not provided appropriate documentation or taken appropriate action to merit positive assurances.

Rec. No.	Recommendation	Response
Review of Accounting Arrangements and Bank Reconciliations		
R1	The provided spreadsheet cashbook format should be used and be maintained currently throughout the financial year with the embedded quarterly bank reconciliations completed to help ensure accuracy of entered data.	***An accounts package has now been employed from the April 2025 accounts and bank reconciliations embedded.***
R2	In accordance with the Council's extant Financial Regulations, when checking the monthly / quarterly Finance reconciliations, the Lead member should also sign off copies of the supporting bank statements: these should be retained for audit inspection.	***This has now been addressed.***
Review of Corporate Governance		
R3	When reviewing and adopting the latest NALC model Standing Orders and Financial Regulations, consideration should be given to setting a more appropriate value for formal tender action than the £60,000 set out in the latest NALC documents.	***The current Standing Orders and Financial Regulations were agreed in May and June 2026 but will be reviewed again during the year 2026/27. They will be annually reviewed each May.***
R4	In line with best practice, the Council should consider posting a raft of information on its website in line with the requirements of the Transparency Code for Smaller Authorities.	***The information on the website is currently being reviewed and updated.***
R5	In line with legislative requirements, the annual Notice of Public Rights to inspect the Council's financial records must be posted on the website.	***This has been completed for the 2025/26 Audit and advertised on The Council's website.***
Review of Expenditure		
R6	Appropriate arrangements should be put in place for members to demonstrate the effective discharge of their fiduciary responsibilities over public funds, with a reviewing councillor (or two) signing off / initialling hard copy invoices confirming approval of the payable amount on each invoice / payment document.	***This has been completed for 2025/26, with the Chair and Vice Chair signing the invoices.***
R7	The certified invoices should then either be retained in hard copy format for audit inspection or be scanned and saved electronically once they have been "signed off" as approved for payment.	***This has been completed for 2024/25 and will be on going as annual standard practice.***
R8	Efforts should be made to acquire appropriate documentation supporting all payments, such as those to utility companies and Daisy to facilitate the identification of any recoverable VAT to be included on the periodic reclaims prepared and submitted to HMRC.	***Since May 2026 invoices have been acquired for the year 2025/26 by the new RFO, both e. copies and paper copies. Going forward both paper copies and e. copies will be kept.***
Assessment and Management of Risk		

R9	The Council's Governance and Risk Register must be reviewed and re-adopted at least once annually, as required by "The Practitioner's Guide". The absence of such action during the 2024-25 financial year will require a negative assurance from us in the AGAR's IA Certificate and from the Council in the Governance Statement.	***This was reviewed and adopted in June 2026 and will be further reviewed again for adoption each May as part of an annual standard practice.***

Rec. No.	Recommendation	Response
Review of Staff Salaries		
R10	Responsibility for preparation of the monthly payroll should, ideally, be outsourced to a wholly independent company with full detail provided to the Clerk of her net salary payable monthly, together with the amount due to HMRC (tax and Employer's NI) and NEST (employee and employer contributions).	***This was debated by the Council during 2025/26 and considered very low risk, it noted the recommendation was 'ideally…..'. However, since then a new payroll provider was procured and in any case since May 2026 the Parish Council does not employ any staff, The Clerk resigning for personal reasons.***
R11	The 2024-25 gross monthly salaries payable to the Clerk should be recalculated based on the NJC advised hourly rate, which is calculated on the basis of there being 52.143 weeks in the year (not 52), as apparently applied when implementing the 2024-25 national NJC advised pay award.	***This was noted.***
R12	Care should also be taken to ensure the accurate analysis of payments in the cashbook to help ensure the accurate disclosure of staff costs in the AGAR.	***This was noted.***
Fixed Asset Registers		
R13	The Clerk and Council must ensure that a comprehensive and complete asset register is created and maintained currently throughout each financial year with appropriate values assigned based on purchase cost, net of VAT.	***The Asset Register was reviewed and updated in May/ June 2026. This will now be reviewed annually in April of each year as standard practice.***
R14	As recommended previously, the Council should also consider developing a photographic record of its asset stock to assist the smooth progression of any insurance claim in the event of any accidental or wilful damage occurring.	***This has now been completed in May/June 2026 with photographs of the asset stock. The is be reviewed each April and updated when necessary.***

The Clerk, Oldbury-on-Severn Parish Council, July 2026