Internal Audit Report

To Bartestree and Lugwardine Parish Council

I have completed the work required for the year ending 31st March 2025 having received all the documents requested and/or explanations provided by the Clerk/RFO.

I draw your attention to the following: -

1. Bank Reconciliation
   I understand that the clerk was asked not to provide regular Bank Reconciliations, but the Council requested that he provide a Monthly Transactions report. In accounting and auditing terms the Transactions report is not a "Bank Reconciliation" since monthly accounts are not prepared. The Budget Monitoring report is based on a cumulative year to date basis. In order to comply with the AGAR requirements, I recommend that Bank Reconciliations are prepared on a quarterly basis as a minimum.

2. Asset Register
   The Asset Register for the previous year showed a figure of £160,681 which was understated. The reason being was that the disposals of £2,659 with the exception of one item of £159 had already been removed. This has resulted in a prior year adjustment of £2,500. The cost value of acquired assets should be exclusive of VAT since the Council recovers the VAT from HMRC. During the current year the Finance and Administration Working Group recommended that assets under £100 should be declassified resulting in disposals of £723. Although an agenda item, Council approval was not in the minutes. It is recommended that Council should minute approval of all additions and disposals.

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21st May 2025