

Section 1 – Annual Governance Statement 2024/25

We acknowledge as the members of:

BRETHERTON PARISH COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arranging the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, in respect to the Accounting Statements for the year ended 31 March 2025, 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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	during the year gave all persons interested the opportunity to inspect and ask questions about this authority.
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	arranged for a competent person, independent of the authority, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	disclosed everything it should have about its business during the year including events taking place at the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

*Please provide explanations to the external auditor on a separate sheet for each 'No' response and detail 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:

12/5/25

and recorded as minute reference:

39/25

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

Chair

B. G. Fambon

Clerk

G. Sattwell

ENTER URL OF AUTHORITY'S WEBSITE/WEBSITE ADDRESS
www.bretherton-parish-council.com

(2)

Amended
Section 2 – Accounting Statements 2024/25 for

BRETHERTON

	Year ending		Notes and guidance
	31 March 2024 £	31 March 2025 £	
1. Balances brought forward	33715	49607	Please round all figures to nearest £1. Do not leave boxes blank and report £0 or Nil balances. All figures must agree to underlying financial records. Total balances and reserves at the beginning as recorded in the financial records. Value must equal Box 7 of previous year.
2. (+) Precept or Rates and Levies	16536	17688	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any amounts received.
3. (+) Total other receipts	44183	15965	Total income or receipts as recorded in the accounts. Include the precept or rates/levies received (line 2). Include grants received.
4. (-) Staff costs	2689	2791	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.
6. (-) All other payments	42138	44599	Total expenditure or payments as recorded in the accounts book less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	49607	35871	Total balances and reserves at the end of the year equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	49607	35871	The sum of all current and deposit bank account 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	160679	1465485	The value of all the property the authority owns or holds 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 from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The figures in the accounting statements above exclude any Trust transactions.

I certify that for the year ended 31 March 2025 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in the 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

Date

R. S. S. S. S. S.

12/5/25

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

12/5/25

as recorded in minute reference:

39/25

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

B. G. Farbon

Annual Internal Audit Report 2024/25

Bretherton Parish Council

www.brethertonparishcouncil.com

During the financial year ended 31 March 2025, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2024/25 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		Subject to audit
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked, and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	N/A no petty cash held		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2023/24, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2023/24 AGAR tick "not covered")		N/A	
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.		✓	See issue of internal report
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2024-25 AGAR period, were public rights in relation to the 2023-24 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	✓		

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

26/05/2025

Name of person who carried out the internal audit

SDH BUSINESS SERVICES LTD

Signature of person who carried out the internal audit



Date

26/05/2025

If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

****Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).**

The internal audit was carried out by undertaking the following tests as specified in the AGAR Annual Return for Local Councils in England:

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Reviewing petty cash records (for councils where there is a petty cash system in place) to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Review of year-end financial statements
- The authority has complied with the publication requirements for the prior year AGAR.
- The authority correctly provided for a period for the exercise of public rights for the prior year AGAR
- The authority published required information on a website up to date at the time of the internal audit in accordance with relevant legislation.

Conclusion

On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the issues in the action plan overleaf. As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

JDH Business Services Limited

ISSUE	RECOMMENDATION	FOLLOW UP

INTERNAL AUDIT REPORT
BRETHERTON PARISH COUNCIL
2024/25

	ISSUE	RECOMMENDATION	FOLLOW UP
	2024/25 Internal Audit		
1	<p>The council website is very difficult to navigate to locate key documents such as the notice of public rights of inspection notice and the notice of conclusion of audit. Therefore, the public would encounter the same difficulty. After review of each of the tabs in the website we could not locate five years of accounts as required by the Audit and Accounts Regulations, nor could we locate the notice of conclusion of audit. We were informed by the clerk that the website is being updated and that it will be re-populated with the required information.</p>	<p>The council must maintain an up to date website containing all the information required by Regulations, including the Audit Regulation Section 13 (2) (b) which requires 5 years of AGAR accounts published on the website.</p>	<p>The structure of the website is being reviewed to take into account the comments of the Internal Auditor</p>
2	<p>Capital additions have been recorded gross of the recoverable VAT in the asset register.</p>	<p>Assets should be recorded in the asset register at purchase cost, which is the net cost of the asset as the VAT is reclaimable, as purchase cost is the stated valuation method in the council asset register.</p>	<p>The Parish Council is reviewing the contents of the Asset Register</p>
3	<p>The council suspended Financial Regulations (FRs) to allow a number of contracts in excess of the threshold for quotations in the FRs to be awarded to providers without competition.</p>	<p>The council should review whether there are further methods that could be implemented to reach a wider number of the providers for its services to ensure effective market testing is carried out for higher value contracts in accordance with</p>	<p>The Parish Council is considering how this can be achieved</p>

INTERNAL AUDIT REPORT
BRETHERTON PARISH COUNCIL
2024/25

16

	ISSUE	RECOMMENDATION	FOLLOW UP
		the procurement requirements of the Financial Regulations.	
4	Although the council complied with Regulation 15 of the Accounts and Audit Regulations 2015 to make proper provision for the exercise of public rights for the 2023/24 accounts, the commencement date of June 13 th is stated as Monday, however, this date was Thursday in 2024.	The council should ensure the correct day is stated next to the date in the public notice of electors rights.	The correct date will be included for 24-25
2023/24 Internal Audit			
1	Multiple spreadsheets were provided for the internal audit to evidence the prime books of record of the council (ie the cashbook). The expenditure cashbook provided did not contain an analysis of VAT against each relevant payment. Receipts are maintained in a cashbook list but not as dated receipt transactions.	The council needs to integrate its accounting records into one consolidated cashbook that clearly shows every expenditure transaction including any VAT associated with the payment and a dated receipt transaction analysis.	Implemented
2	The fixed asset register does not include the following: <ul style="list-style-type: none"> - the method of valuation against each asset - a column for 'insured Y/N' with explanatory comments where the 	The format of the fixed asset register should be improved as noted.	Implemented

INTERNAL AUDIT REPORT
BRETHERTON PARISH COUNCIL
2024/25

7

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>asset is not insured. This would ensure there is clear evidence the risk of assets not being insured is being mitigated.</p>		
3	<p>The risk assessment does not address the risks of supplier fraud. The supplier fraud risks can be managed via robust policies and procedures including prevention actions such as:</p> <ul style="list-style-type: none"> - training for staff to alert them to the potential risks of providing sensitive company information, by phone or other means, especially contract and account information. - establish a rigorous change of supplier details procedure - where a supplier has purported to have changed their bank details always call the supplier to check the veracity of a request, using details in your system, rather than those on any associated letter or email. A person should be authorised to approve a supplier bank account change after having reviewed the process undertaken to verify the 	<p>The risk assessment should be updated to include supplier fraud including the adequacy of supplier onboarding controls.</p>	<p>Implemented April 2025</p>

**INTERNAL AUDIT REPORT
BRETHERTON PARISH COUNCIL
2024/25**

⑤

	ISSUE	RECOMMENDATION	FOLLOW UP
	<p>supplier details change</p> <ul style="list-style-type: none"> - periodic review of supplier accounts should also be undertaken to remove any dormant accounts. This reduces the likelihood of any old supplier information being used to secure fraudulent payments. - checking address and financial health details with Companies House - checking samples of online payments to supplier invoices to ensure the payment has been made to the supplier bank account 		
4	The last charity annual return was submitted 87 days late to the Charity Commission.	The council as sole trustee must ensure all returns to the Charity Commission are filed within deadlines.	Implemented
5	The mileage rate paid for expenses per mile is in excess of the tax free mileage rate per HMRC of 45p per mile.	The council should ensure there is no additional tax liability due in respect of the payment of mileage rates in excess of the tax free mileage rate of 45p per mile.	Clerk has noted this has been implemented since receipt of our report.

Section 3 – External Auditor's Report and Certificate 2024/25

In respect of

Bretherton Parish Council – LA0032

1 Respective responsibilities of the auditor and the authority

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

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

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

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

2 External auditor's limited assurance opinion 2024/25

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

Information has come to our attention from the internal auditor highlighting the fact that the 2023/24 Notice of conclusion of audit was not published on the authority's website by the dates specified in the Accounts and Audit Regulations 2015.

The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR. Information received from the smaller authority indicates that assets purchased during the year included in the asset register incorrectly include VAT and that Section 2 Box 9 should read £146,525. An exercise was carried out to identify and correct the errors in the register. It is noted that the prior year Box 9 was not corrected to be on the same basis.

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

In the completion of the Annual Internal Audit Report, and their detailed report, the internal auditor has drawn attention to weaknesses in relation to financial regulations regarding procurement and documentation on the website. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner.

3 External auditor certificate 2024/25

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

External Auditor Name

PKF LITTLEJOHN LLP

External Auditor Signature

PKF Littlejohn LLP

Date

30/08/2025