

Little Ellingham Parish Council

Internal Audit Report
Financial Year 2024/25

Prepared by Sonya Blythe
28 April 2025

I have completed an internal audit of the accounts for Little Ellingham Parish Council for the year ending March 2025.

My findings are detailed below using the tests provided in the Governance and Accountability (England) guidance.

Internal control	Test	Observations
Proper bookkeeping	Is the cashbook maintained and up to date?	Yes
	Is the cashbook arithmetically correct?	Yes
	Is the cashbook regularly balanced?	Yes
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed	January 25 minutes
	Date Financial Regulations last reviewed	January 25 minutes
	Has a Responsible finance officer been appointed with specific duties?	Clerk is RFO
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes, evidenced from invoice to bank statement and minutes
	Has VAT on payments been identified, recorded and reclaimed?	VAT accounted for in cashbook, claim submitted February (not received in financial year)
	Is s137 expenditure separately recorded and within statutory limits?	Separate column in cashbook
Risk management arrangements	Have S137 payments been approved and included in the minutes as such?	Power unused
	Does a review of the minutes identify any unusual financial activity?	No
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme?	March 25 minutes
	Is insurance cover appropriate and adequate?	Fidelity and liability cover in place
	Are internal financial controls documented and regularly reviewed?	January 25 minutes

Internal control	Test	Observations
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	2425 – February 24 minutes 2526 – January 25 minutes
	Has the precept been calculated from the budget and been approved?	24/25 – recorded as £5,200.00 2526 – recorded as £7344.37
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Reported each meeting
	Are there any significant unexplained variances from budget?	No
Income controls	Is income properly recorded and promptly banked?	Yes, all BACS
	Does the precept recorded agree to the Council Tax authority's notification?	Statement £5200 Remittance £5200
Petty cash procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	N/A
Payroll controls	Is petty cash expenditure reported to each council meeting?	N/A
	Is petty cash reimbursement carried out regularly?	N/A
	Do all employees have contracts of employment with clear terms and conditions?	Yes, contract seen
	Do salaries paid agree with those approved by the council?	Yes
	Are salaries above the National Living Wage/Minimum Wage?	Yes November - national pay award implemented
	Are other payments to employees reasonable and approved by the council?	Yes, receipts for expenses seen
	Have PAYE/NIC been properly operated by the council as an employer?	Yes, quarterly payments to HMRC, tax accounted for on payslips

Internal control	Test	Observations
Asset controls	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? When were these last reviewed?	June 24 minutes
	Do asset insurance valuations agree with those in the asset register?	Yes, schedule seen
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes
	Is a bank reconciliation carried out regularly and in a timely fashion?	Reported each meeting
Year-end procedures	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	N/A
	Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes, R&P
	Do accounts agree with the cash book?	Yes
		AGAR – £4706
		Statements – £4705.84
	Has a year-end bank reconciliation been undertaken?	Reconciliation - £4,705.84
Procedural	Is there an audit trail from underlying financial records to the accounts?	Yes, cashbook matched to bank statements
	Where appropriate, have debtors and creditors been properly recorded?	N/A
	Is eligibility for the General Power of Competence properly evidenced?	N/A
	Have points raised on the last Internal Audit report been considered by council and actioned?	<p>The last VAT reclaim was for 2021/22, the Locum Clerk should check with HMRC when the last claim was made.</p> <p>-Claim submitted February 25</p> <p>There are no agendas published on the website.</p> <p>-Agendas published online.</p>

Internal control	Test	Observations
Transparency: For smaller councils with turnover under £25,000	Minutes for whole year on website?	The payments over £100 were not published. -Published within minutes. Yes
	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	Yes, included within meeting minutes
	Electors' rights advertised on website?	Yes
	Councillors' responsibilities detailed on website?	Yes
	Last financial year's AGAR on website?	Yes
Burial Authorities only	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	Yes
	Are fees levied in accordance with the Council's approved scale of fees and charges?	N/A
	Have fees for the cemetery been reviewed and agreed by Council?	N/A
Allotments only	Have burial books been kept up to date and are they safely stored?	N/A
	Has a list of allotment holders with amounts paid to Council been submitted?	N/A
Councils with charities only	Have fees for the allotments been reviewed and agreed by Council?	N/A
	Have Charities reported and accounted separately?	Yes – reported separately by Trustees
	Has the Council been named as Sole Trustee on the Charity Commission Register?	Yes

Internal control	Test	Observations
ICO	Are the Charity meetings and accounts recorded separately from those of the Council?	Yes
	Is Council registered with the Information Commissioners Office?	Yes, July bank statement
General Data Protection Regulations	Has the Council adopted a Data Protection Policy?	Yes – dated 2018, see note
	Has the Council put in place Privacy Notices?	Yes, published on website
Other		None

Thank you to Lolly for supplying everything so promptly.

- I have checked through your accounts and confirmed them against income and expenditure receipts, as well as against payments in your cashbook. Bank reconciliations are regularly carried out for the accounts.
- I have confirmed that your Financial Regulations and Standing Orders are up to date.
- I have noted that your VAT has been claimed within the past year.
- I have verified that your insurance is adequate.
- I confirm that your payroll management meets requirements
- Your risk management policies are up to date
- I have reviewed your budget setting process and noted that you provide Council with regular spend against budget information
- I have reviewed the AGAR against your year-end bank reconciliations and your accounts

I have no concerns to raise and as such have signed the internal audit section of the AGAR.

Notes / recommendations for 25/26:

Email address – the JPAG Practitioners Guide states that “All Parish, Town and Community Councils are eligible to use, and are advised to use, a .gov.uk domain for their websites and email communications. Your community, suppliers and partners will now reasonably expect a local council to have a .gov.uk domain name”. This is advice rather than a requirement, so I flag it for information only.

Your Data Protection policy hasn't been updated since 2018. I would recommend putting a rolling programme in place so that the longest a policy goes without being re-considered by Council is four years. This will always ensure that updates and best practice are incorporated within.

Sonya

Sonya Blythe
Internal auditor