Reedham Parish Council

Internal Audit Report
Financial Year 2024/25

Prepared by Sonya Blythe
26 May 2025

I have completed an internal audit of the accounts for Reedham 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	June 23
	Date Financial Regulations last reviewed	September 24
	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, payments evidenced from invoice to minutes and bank statements
	Has VAT on payments been identified, recorded and reclaimed?	Separate column in cashbook, claim received September 24 for 2324 accounts.
	Is S137 expenditure separately recorded and within statutory limits?	N/A
	Have S137 payments been approved and included in the minutes as such?	N/A
Risk management arrangements	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?	September 24 minutes *see note
	Is insurance cover appropriate and adequate?	Fidelity and liability covers in place
	Are internal financial controls documented and regularly reviewed?	Yes – June 23

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 – January 24 minutes 2526 – January 25 minutes
	Has the precept been calculated from the budget and been approved?	24/25 – recorded as £23,392 2526 – recorded as £24,551 - *see note
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Yes, income and expenditure report provided at each meeting
	Are there any significant unexplained variances from budget?	No
Income controls	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Statement £23,392 Remittance £23,392
Petty cash procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	N/A
	Is petty cash expenditure reported to each council meeting?	N/A
	Is petty cash reimbursement carried out regularly?	N/A
Payroll controls	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 *see note November - national pay award implemented
	Are other payments to employees reasonable and approved by the council?	Yes
	Have PAYE/NIC been properly operated by the council as an employer?	P60 provided, payments made to HMRC

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?	Asset list dated March 25, but not reviewed in Council meeting
	Do asset insurance valuations agree with those in the asset register?	Yes – although Pavilion insurance value seems very low for what a rebuild would cost
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?	Yes, reported each meeting
	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	N/A
Year-end procedures	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?	AGAR – £36204 Statements - £36204.34
	Has a year-end bank reconciliation been undertaken?	Reconciliation - £36204.34
	Is there an audit trail from underlying financial records to the accounts?	Yes, bank statements matched to cashbook
	Where appropriate, have debtors and creditors been properly recorded?	N/A
Procedural	Is eligibility for the General Power of Competence properly evidenced?	Yes – May 23 minutes
	Have points raised on the last Internal Audit report been considered by council and actioned?	Email management – the JPAG Practitioners Guide states that “every authority should have an email account that belongs to the council and to which the council has access – this ideally would be a .gov.uk or .org.uk address or could be an address linked to the council website”. No

Internal control	Test	Observations
		New Financial Regulations have now been released by NALC, which you may like to adopt during 2425. Yes Regarding the Electric Vehicle charge points, if these belong to the PC then they will need to be added to your asset list and accounted for in box 9 of the AGAR. N/A
Transparency: For smaller councils with turnover under £25,000	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	Yes
	Electors' rights advertised on website?	Yes
	Councillors' responsibilities detailed on website?	Yes
	Last financial year's AGAR on website?	Yes
	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	Yes
Burial Authorities only	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
	Have burial books been kept up to date and are they safely stored?	N/A
Allotments only only	Has a list of allotment holders with amounts paid to Council been submitted?	Yes, included in accounts
	Have fees for the allotments been reviewed and agreed by Council?	No – last done 2023

Internal control	Test	Observations
Councils with charities only	Have Charities reported and accounted separately?	N/A
	Has the Council been named as Sole Trustee on the Charity Commission Register?	N/A
	Are the Charity meetings and accounts recorded separately from those of the Council?	N/A
ICO	Is Council registered with the Information Commissioners Office?	Yes, December 24 bank statement
General Data Protection Regulations	Has the Council adopted a Data Protection Policy?	Lots of individual documents, but need a general overview policy *see note
	Has the Council put in place Privacy Notices?	Yes, on website (address within needs to be updated)
Other	Pavilion	No income / bookings as used for storage only

Thank you to Stephanie 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.

As you are responsible for land and allotments, when next reviewing your risk assessment it would be advisable to add a section on associated risks of this, such as trip and slip hazards, tree safety and frequency of inspection, etc.

Budget setting – When setting the budget and precept it is best practice to include the Band D rate within the minutes also so that parishioners clearly have this information.

Data Protection Policy – although you have varied data policies in place, there is no overall General Data Protection Policy in place. This should be considered before the next audit.

The Clerk’s hourly rate in her contract is low compared to her contemporaries. Clerking is a varied role with even Clerks of the smallest Council’s having responsibility for accounts, health and safety, giving and following advice, following statutory procedures etc, and the salary should reflect this. I note in March 25 minutes that the salary has been increased, the level of which hopefully reflects the responsibility of the role.

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Sonya Blythe
Internal auditor