Parish Council

Internal Audit Report

For Snetterton Parish Council

Financial Year 2024/2025

Prepared by Carol A Bailey

BA (Hons) CiLCA PIALC MAC

I have completed an internal audit of the accounts for Council for the year ending 31st March 2025. My findings are detailed below using the tests provided in the **Governance and Accountability(England) March 2023.**

I would like to thank the Clerk/RFO for providing me with all the information required for the Internal Audit.

Internal control	Test	Observations
Proper bookkeeping	Is the cashbook maintained and up to date?	Yes
	Is the cashbook arithmetically correct?	Of the supplied invoices one was found to be paid incorrectly – Norfolk ALC invoice states £56.65 but £56.85 was agreed by Council, paid and logged in cashbook (Chq No 100089)
	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	Reviewed 07/24 and adopted at meeting of 8/8/24
	Date Financial Regulations last reviewed	Reviewed 07/24 and adopted at meeting of 8/8/24
	Has a Responsible Financial Officer been appointed with specific duties?	RFO appointed Item 3 at meeting of 17/6/24
	Have items or services above the de minimus amount been competitively purchased?	N/A
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes
	Has VAT on payments been identified, recorded and reclaimed?	Outstanding VAT from previous years claimed and received. Draft reclaim prepared to 31/1/25
	Has s137 expenditure been approved and separately recorded and within statutory limits? (where applicable)	No S137 payments have been made
	Are Financial Regulations followed?	Yes
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?	Yes
	Is insurance cover appropriate and adequate?	This may need to be reviewed – see Asset Controls

Internal control	Test	Observations
	Are internal financial controls documented and regularly reviewed?	Yes
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	2024/2025 budget not evidenced in Minutes to 31/3/24. New Clerk has ensured 2025/2026 documentation is in place
	Has the precept been calculated from the budget and been approved?	2024/2025 Precept of £6,000 was agreed at Minute no 09/24 on 29/1/24 without any apparent agreement of a budget
	Does the budget include an actual completed year?	From 1/4/2024 budget document produced by Clerk so will include all requirements
	Is actual expenditure against budget regularly reported to the council?	Yes – evidenced in online Minutes
	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?	Yes
	Are security controls over cash and near-cash adequate and effective?	N/A
Payroll controls	Do all employees have contracts of employment with clear terms and conditions?	Yes
	Do salaries paid agree with those approved by the council?	Yes
	Are salaries above the National Living Wage/Minimum Wage?	Yes
	Are other payments to employees reasonable and approved by the council?	Yes – done separately
	Have PAYE/NIC been properly operated by the council as an employer?	Yes – DM Payroll
Asset controls	Does the council maintain a register of all material assets owned or in its care?	Yes - to the replacement value of £6831.34 but please see under Summary of Recommendations
	Are the assets and Investments registers up to date? When were these last reviewed?	Yes 5 (d) of meeting of 25/11/24

Internal control	Test	Observations
	Do asset insurance valuations agree with those in the asset register?	See previous comments
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
	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	Yes
Year-end procedures	Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes
	Do accounts agree with the cash book?	Yes
	Has a year-end bank reconciliation been undertaken?	Yes
	Is there an audit trail from underlying financial records to the accounts?	Yes
	Where appropriate, have debtors and creditors been properly recorded?	Yes
Procedural	Have points raised on the last Internal Audit report been considered by council and actioned?	The new Clerk has ensured that the points raised have been investigated and acted upon
	Policy documents routinely updated?	Yes
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

Internal control	Test	Observations
	Councilors' 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)	N/A
General Data Protection Regulation (compliance from 25 May 2018)	Has the Council put in place a privacy policy? Is it on the website?	Yes
FOI Publication Scheme	Is there an FOI Publication Scheme? Is it on the website? Is it updated?	Yes

Summary of my recommendations:

With regard to the Asset Register the Council own a brick-built bus shelter that is currently showing a replacement/rebuild value of £3,500 (Purchase value £3,850). Shelterstore.co.uk sell has bus shelters starting at £2,500 for a basic version up to £40,000 for a bespoke timber shelter. Should a brick-built shelter be damaged or demolished the appropriate replacement/rebuild cost would be in excess of £10,000. I would recommend the Council review this item on their Asset Register and amend the Insurance Policy to reflect this, if required.

The first part of this audit was completed on 18 January 2025 as the Council will be losing its Clerk before year end.

The end of year procedures will need a further short audit following year end when this report will be updated. This part of the audit and the Annual Internal Audit Report 2024/25 were both duly completed on 8 April 2025.

I would like to take this opportunity to congratulate the Clerk, Sharon Sweet, on her hard work to enable the Council to have a very much improved internal audit on those of previous years. I am happy to note the Council has employed an experienced Clerk to act on their behalf and would thank her for her help in completing the final part of this audit.

Carol A Bailey (Hons) CiLCA PIALC MAC
9 Potters Crescent
Great Moulton
NR15 2HL

07930 483895

carolabailey1305@gmail.com