

FLEGGBURGH PARISH COUNCIL

Internal Audit Report 2024-25

Prepared by Sarah Hunt

Proper Bookkeeping	Is the cash book maintained and up to date	Yes
	Is the cashbook correct arithmetically	Yes.
	Is the cashbook regularly balanced	Yes – balances reported to each meeting.
Standing orders/financial regulations/payment controls	Has the council formally adopted standing orders and financial regulations.	Standing Orders – July 2024 Financial Regulations – August 2024
	Has an RFO been appointed with specific duties	Catherine Moore was appointed as locum clerk in January 2024, and as clerk in February 2024. The appointment of Clerk also acting as Responsible Financial Officer is included within the Internal Controls Policy. As the appointment of an RFO is a legal requirement I would recommend this is also detailed within the minutes. I have not seen the appointment of the current clerk minuted, nor a contract of employment due to the timings.
	Have items or services above the de minimum amount been competitively purchased	Yes.
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted	Yes.
	Has VAT on payments been identified, recorded and claimed	Yes.
	Is S137 expenditure separately recorded and within statutory limits	Donation to McMillan Cancer in August 2024 of £50.00 correctly recorded as S137 in the accounts cashbook. I would recommend that the number of the electorate, and the annual S137 limits be advised to Council annually and minuted.

	Have S137 payments been approved and recorded within the minutes as such	I could not find the resolution to approve the above payment within the minutes to ascertain if it was recorded as a S137 payment.
Risk Management arrangements	Does a review of the minutes identify any unusual activity	No.
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme	Financial Risk Assessment – May 2024. General Risk Assessment on the website remains undated – this was an action from the 2023/34 Internal Audit.
	Has the council considered a general reserves policy	Yes. September 2023.
	Is insurance cover adequate and appropriate	Yes
	Are internal financial controls documented	The current internal financial control document specifies that the Council is under £25,000 and subject to the transparency code. As this is no longer the case Council may wish to revisit this document and bring it up to date.
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved	2025/26 Budget reviewed by Council and precept set with appropriate consideration. Precept £21,747.00 in January 2025 minute 12h.
	Has the precept been calculated from the budget and approved	Yes. Budget discussions minuted and budget reviewed.
	Does the budget include an actual completed year	2024-25 – yes.
	Is actual expenditure against budget regularly reported to council	Yes – every meeting.
	Are there any significant unexplained budget variances	No.
Income Controls	Is income properly recorded and promptly banked	Yes.

	Does the precept recorded agree to the Council Tax authorities notification	Yes.
	Are security controls over cash and near cash adequate and effective	Yes.
Petty Cash	Is all petty cash invoiced/receipts. Reported to Council. Reimbursed regularly	N/A
Payroll controls	Do all employees have contracts of employment with clear terms and conditions	Catherine Moore, most recent clerk provided with a contract. No contract seen for the newly appointed clerk.
	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 council	Yes. £5.00/month paid for homeworking. I would advise councillors that a payment for up to £26.00/month (£6.00/week) can be paid tax free to the Clerk to support their holding the Council office in their home.
	Have PAYE/NIC been properly employed by the Council as an employer	Yes. I would recommend the Clerk also log onto the Government Gateway portal and check every quarter that payments are being applied correctly by the Inland Revenue.
	Is re-enrolment up to date (Pension)	The Clerk will want to satisfy themselves of the next date of declaration.
	Are pension payments correctly accounted for	N/A. No pension operated by Council.
Asset Controls	Does the council maintain a register of all material assets owned or in its care. Land register?	The up to date asset register is not on the website. The latest register is 2023/24. There appear to be no acquisitions or disposals during 2024/25.
	Are the assets and investment registers up to date? When were they last reviewed?	No changes are apparent from the minutes. The Clerk will want to ensure that these are up to date and publish a newer version in due course.

	Do insurance valuations agree with those in the asset register	Yes.
	Are all disposals minuted	No disposals recorded.
Bank Reconciliation	Is there a bank reconciliation for each account and is this reported to Council	Bank reconciliations reported at each meeting.
	Is a bank reconciliation carried out regularly and in a timely fashion	Yes.
	Are there any unexplained balancing entries in the reconciliation	No.
Year End Procedures	Are year end accounts R & P or I & E	R & P
	Do accounts agree with the cashbook	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 creditor been properly recorded	N/A
Procedural	Is eligibility for the Power of Competence properly evidenced.	GPOC not adopted.
	Have points on the last internal audit been considered by the council and actioned.	The General Risk Assessment should be reviewed by Council and a dated copy uploaded.
Transparency – smaller councils only	Minutes for whole year on website	N/A Noted that they are on website as complies with best practice. Some draft copies remain and need replacing.
	Agendas for whole year on website	N/A Noted that they are on website.

	Payments over £100 detailed on website	N/A
	Electors rights advertised on website	N/A
	Councillors responsibilities advertised on website	N/A – however they are documented.
Burial Authorities only	Are fees levied in accordance with the councils approved scale of fees and charges	N/A
	Have fees for the cemetery been reviewed and agreed by Council	
	Were comparisons made with other cemeteries prior to setting the fees	
	Have burial books been kept up to date and are they stored safely	
Councils with charities only	Have charities reported and accounted separately	N/A
	Have the charity accounts been independently audited	
	Have the charity accounts and annual return been filed within the legal time limit	

Thank you very much for providing all the documentation requested.

I have checked through the year 2024-25 and I would mention the following:

The Model publication scheme on the website is the explanation from the ICO of a Model Publication Scheme, not an actual scheme. The publication of the scheme itself is a legal requirement.

I am advised no references were taken on the previous Clerk – Council should consider obtaining references, or checking to satisfy itself that it still holds indemnity insurance as two references should be held, not provided by the clerk, to satisfy most insurance companies.

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The Council does not have a Biodiversity policy.

Council should ensure that all payments are correctly agreed within the meeting and documented as such. I would note for Council that contractual payments do not need authorising by council, ie salary payments.

I would thank the Clerk for providing all the information required to demonstrate a very well run Council, I have no concerns I wish to bring to the attention of Councillors.

Finally there are changes to the audit process for 2025/26 and the Council may wish to begin considering these, the documents are online, but I would draw your attention to the following:

Assertion 10 - Digital and data compliance To warrant a positive response to this assertion, the authority needs to have taken the following actions:

1.47 Email management - every authority must have a generic email account hosted on an authority owned domain, for example clerk@abcparishcouncil.gov.uk or clerk@abcparishcouncil.org.uk rather than abcparishclerk@gmail.com or abcparishclerk@outlook.com.

1.48 All smaller authorities (excluding parish meetings) must meet legal requirements for all existing websites regardless of what domain is being used.

1.49 All websites must meet the Web Content Accessibility Guidelines 2.2 AA and the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.

1.50 All websites must include published documentation as specified in the Freedom of Information Act 2000 and the Transparency code for smaller authorities (where applicable).

1.51 All smaller authorities, including parish meetings, must follow both the General Data Protection Regulation (GDPR) 2016 and the Data Protection Act (DPA) 2018.

1.52 All smaller authorities, including parish meetings, must process personal data with care and in line with the principles of data protection.

1.53 The DPA 2018 supplements the GDPR and classifies a parish council as both a Data Controller and a Data Processor.

1.54 All smaller authorities (excluding parish meetings) must also have an IT policy. This explains how everyone - clerks, members and other staff - should conduct authority business in a secure and legal way when using IT equipment and software. This relates to the use of authority-owned and personal equipment.