

Elsing Parish Council

Internal Audit Report
Financial Year 2024/25

Prepared by Clare Morton
15 May 2025

I have completed an internal audit of the accounts for Elsing 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	SO last updated May 2021. No evidence of review
	Date Financial Regulations last reviewed	FR – adopted 2012. No evidence of review
	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?	Yes, separate column in cashbook. Claimed for 2024-25 on May 1 st 2025
	Is s137 expenditure separately recorded and within statutory limits?	Yes
	Have S137 payments been approved and included in the minutes as such?	Yes – detailed in cash book rather than minutes.
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?	No, however, Financial Risk Control document available, dated 31/03/2025
	Is insurance cover appropriate and adequate?	Liability and fidelity cover in place – adequacy not checked.
	Are internal financial controls documented and regularly reviewed?	Yes – quarterly summaries of financial position produced and minuted.

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?	2025-26 – Jan 2025 mins 2024-25 – Jan 2024 mins
	Has the precept been calculated from the budget and been approved?	Yes - £5286.
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Yes, minuted quarterly
	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?	Breckland District Council Financial Plan 2025-26 indicates Elsing precept as £5286
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, not seen but confirmed by clerk.
	Do salaries paid agree with those approved by the council?	Yes
	Are salaries above the National Living Wage/Minimum Wage?	Yes 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?	Accounted for on payslip

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 available but undated and not minuted.
	Do asset insurance valuations agree with those in the asset register?	Yes
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
	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?	There were three instances of double counting, due to transfers between bank accounts.
	Has a year-end bank reconciliation been undertaken?	Yes
	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
Procedural	Is eligibility for the General Power of Competence properly evidenced?	Not applicable.
	Have points raised on the last Internal Audit report been considered by council and actioned?	From 2023-4 report: - Dating of minutes to include year – this is now being done. - Not all of the expenditure between meetings has been minuted – this is now being done. - Not all of the items mentioned in the body of the report as being 'not evidenced' have been supplied for this year, for

example Regarding allotments, even if there is no increase in rent, the rent should be considered and minuted each year.

	Yes	Payments over £100 detailed on website?
	Yes	Electoral rights advertised on website?
	Yes	Council's responsibilities detailed on website?
	Yes	Last financial year's AGAP on website?
		Land and building assets details on website? (Description, location, ownership, date and cost of acquisition and present use)
	NA	Are fees levied in accordance with the Council's approved scale of fees and charges?
	NA	Have fees for the cemetery been reviewed and agreed by Council?
	NA	Were comparisons made with other cemeteries prior to setting the fees?
	NA	Have burial books been kept up to date and are they easily stored?

Internal control	Test	Observations
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?	Not listed separately, however complete list of payments and receipts are available which indicted these payments.
	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)	Partially – name and location of land is listed but no other details.
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
	Were comparisons made with other cemeteries prior to setting the fees?	N/A
	Have burial books been kept up to date and are they safely stored?	N/A

Internal control	Test	Observations
Allotments only only	Has a list of allotment holders with amounts paid to Council been submitted?	No – total income only.
	Have fees for the allotments been reviewed and agreed by Council?	no
Councils with charities only	Have Charities reported and accounted separately?	N/A
	Have the Charity accounts been independently audited?	N/A
	Have the Charity accounts and Annual Return been filed within the legal time limit?	N/A
ICO	Is Council registered with the Information Commissioners Office?	Yes, payment in account book
General Data Protection Regulations	Has the Council adopted a Data Protection Policy?	Yes – adopted May 2021
	Has the Council put in place Privacy Notices?	Yes – dated May 2021
Other		

Audit notes

Items in yellow above are areas where I have not been able to fully satisfy the current audit standards. For major items, there is more detail below.

- 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.
 - With regard to income and expenditure, there have been 3 instances of double counting where transfers between bank accounts have been included as income and expenditure. I have corrected these for the AGAR
- I have confirmed that your Financial Regulations and Standing Orders are up to date. There is no review period for these documents and it is recommended that a review period of a maximum of 3 years is put on such documents. This applies to other policy documents too. There should be revision dates and the reviews minuted.
- I have noted that your VAT has been claimed within the past year.
- I have not verified that your insurance is adequate, no insurance document has been provided.

- 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 and probed such corrections as are required to remove the instances of double counting.

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

Notes / recommendations for 25/26:

I would recommend that Council reviews its Internal Controls / Risk Assessment, with particular reference to having its own smart phone going forward. With so much work being carried out online now it is almost impossible to carry out the clerking role without one. Authorisation codes for logging in to bank accounts, logging in to HMRC, Government Gateway etc must currently sent to the Clerk's personal phone. In addition this personal number has to be given out to parishioners and businesses wanting to contact the Council by phone. If the Clerk was to leave her role, taking her phone number with her, your business continuity would be severely impacted as a result.

Clare

Clare Morton
Internal auditor