

# Parish Council

Internal Audit Report

For Cantley, Limpenhoe & Southwood

Parish Council

Financial Year 24/ 25

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 31<sup>st</sup> 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?	Easy PC software now in use from previous Excel spreadsheet
	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	February 2025
	Date Financial Regulations last reviewed	February 2025
	Has a Responsible Financial Officer been appointed with specific duties?	Yes – Clerk is RFO
	Have items or services above the de minimus amount been competitively purchased?	No goods or services above de minimus amount
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes
	Has VAT on payments been identified, recorded and reclaimed?	Yes
	Has s137 expenditure been approved and separately recorded and within statutory limits? (where applicable)	Currently still uses S137 but states does qualify for GPOC – chosen not to use this power – see end note
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 – reviewed at Item 13 (c) at meeting of 20/03/2025
	Is insurance cover appropriate and adequate?	Yes

Internal control	Test	Observations
	Are internal financial controls documented and regularly reviewed?	Named Councillor responsible
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 agreed at 11 (b) of meeting of 21/12/2023
	Has the precept been calculated from the budget and been approved?	Precept of £11,000 for 2024/2025 agreed at 11 (c) of meeting of 21/12/2023
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Reported to Council on a quarterly basis
	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 – no cash held
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
	Have PAYE/NIC been properly operated by the council as an employer?	Yes
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?	Reviewed at Item 13 (b) at meeting of 20/03/2025

Internal control	Test	Observations
	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?	Yes
	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	Current and Savings accounts held
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?	Yes
	Policy documents routinely updated?	Yes
Transparency: For smaller councils with turnover under £25,000	Minutes for whole year on website?	Yes – see end note
	Agendas for whole year on website?	Yes – see end note
	Payments over £100 detailed on website?	Not on website for 2024/2025 at time of audit
	Electors' rights advertised on website?	Not on website for 2024/2025 at time of audit

Internal control	Test	Observations
	Councillors' responsibilities detailed on website?	No – this was raised in the 2023/2024 Internal Audit Report
	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
General Data Protection Regulation (compliance from 25 May 2018)	Has the Council put in place a privacy policy? Is it on the website?	Yes Yes
	Is there an FOI Publication Scheme? Is it on the website? Is it updated?	Yes Yes Updated July 2024 with Model Scheme
FOI Publication Scheme		

### Summary of my recommendations:

Whilst the Councils agendas and minutes are all online it is a little confusing that the Council currently appears to have two websites with some information on one and some on the other. I would advise the Council to look at closing the old website and transferring all information to the new website to make this less confusing for members of the public. The old website address could then be redirected to the new website.

The Council has moved from using Excel based accounting to the Easy PC software which appears to be working well.

I note the Council states it qualifies for the General Power of Competence but chooses not to use it and continues use the S137 Power. I would ask the Council to consider adopting the General Power of Competence, should it still qualify, as the powers are not as limiting as S137.

With regard to grants awarded by the Council I am unable find confirmation of approval of several of them in the Councils Minutes. These should be minuted at the appropriate time and clearly state what power is being used to pay them.

I would take this opportunity to thank the Clerk for the provision of the documentation required in order to complete this audit.

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