

Guist Parish Council

Internal Audit Report
Financial Year 2024/25

Prepared by Sonya Blythe
1 June 2025

I have completed an internal audit of the accounts for Guist 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	August 24 minutes
	Date Financial Regulations last reviewed	August 24 minutes
	Has a Responsible finance officer been appointed with specific duties?	Yes, 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 August 24
	Is s137 expenditure separately recorded and within statutory limits?	Separate column in cashbook
	Have S137 payments been approved and included in the minutes as such?	Power unused
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 – various assessments August and November 24 minutes
	Is insurance cover appropriate and adequate?	Liability and fidelity cover in place
	Are internal financial controls documented and regularly reviewed?	August 24 minutes

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 – No – see note 2526 – December 24 minutes
	Has the precept been calculated from the budget and been approved?	24/25 – N/A 2526 – recorded as £25,059.
	Does the budget include an actual completed year?	2526 - yes
	Is actual expenditure against budget regularly reported to the council?	No budget to check against in 24/25
	Are there any significant unexplained variances from budget?	Unable to comment as no budget set, however Council had to rely on Breckland Council to pay certain invoices as not enough funds held
Income controls	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	N/A – no precept set 2425
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 November - national pay award implemented
	Are other payments to employees reasonable and approved by the council?	Yes

Internal control	Test	Observations
	Have PAYE/NIC been properly operated by the council as an employer?	P60 & P45 provided for Clerks Tax accounted for on payslips, cheque payments allocated to HMRC
Asset controls	Does the council maintain a register of all material assets owned or in its care?	No – see note
	Are the assets and Investments registers up to date? When were these last reviewed?	Cannot confirm without sight of document
	Do asset insurance valuations agree with those in the asset register?	Unable to check for general assets. Yes for properties.
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 in minutes from April to November, then stops – see note
	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 – £9666 Statements - £9666.46
	Has a year-end bank reconciliation been undertaken?	Reconciliation - £9666.46
	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?	N/A
	Have points raised on the last Internal Audit report been considered by council and actioned?	Majority yes – see note

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?	Yes (excluding February 25 minutes)
	Electors' rights advertised on website?	Yes
	Councillors' responsibilities detailed on website?	Yes
	Last financial year's AGAR on website?	Yes
Burial Authorities only	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	No – see note
	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	Has a list of allotment holders with amounts paid to Council been submitted?	Included in cashbook
	Have fees for the allotments been reviewed and agreed by Council?	August 24
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

Internal control	Test	Observations
ICO	Is Council registered with the Information Commissioners Office?	Yes, June 24 bank statements
General Data Protection Regulations	Has the Council adopted a Data Protection Policy?	Yes
	Has the Council put in place Privacy Notices?	Yes
Other	Properties	-Insurance valuations increased -Safety work carried out -Lease review – not complemented in minutes?

Thank you to Nea 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 for properties is adequate. Please see note below.
- I confirm that your payroll management meets requirements
- Your risk management policies are up to date
- I have reviewed the AGAR against your year-end bank reconciliations and your accounts

Notes / recommendations for 25/26

Reasons for “no” responses on AGAR:-

Box D - The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.

You will be aware that no budget was set for 2425. This also meant that meaningful budget monitoring could not take place. Reserves as Council are also aware were not adequate for the repairs needed to housing stock.

I note that a formal budget and precept has been set for 2526. As part of this regular (at least quarterly) budget monitoring reports should be prepared by the Clerk and minuted as being received, so that Council are confident that they retain the balances that are required to manage outgoings.

Box H - Asset and investment registers were complete and accurate and properly maintained
Unfortunately the Clerk is unable to find a copy of the asset list mentioned within minutes during 2024. This means I am unable to confirm that insurance valuations are adequate and also results

in you not meeting all elements of the Transparency Code. This list should be recreated as soon as possible. The list should then be formally reviewed by Council at least annually.

General:-

Last year's audit – with the exception of the two matters above, the vast majority of actions from last year's audit have now been completed, which Council and the Clerk's should be commended for.

Your February 2025 minutes do not include the payment list or confirmation that a monthly bank reconciliation has been carried out. These are important parts of financial management and, publishing payments over £100 is also a requirement of the Transparency Code. Along with the budget monitoring mentioned above, these will give Council a full oversight of finances at each meeting.

I note that work was ongoing throughout the 2425 minutes to sign new leases with tenants. This should be completed if it has not been already.

Sonya

Sonya Blythe
Internal auditor