

Guist Parish Council

Internal Audit Report

For Guist Parish Council

Financial Year 25/26

Prepared by Di Dann, CiLCA , FILCA, PIALC qualified

6th May 2026

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I have completed an internal audit of the accounts for Guist Parish Council for the year ending 31st March 2026

My findings are detailed below using the tests provided in the **Governance and Accountability (England) March 2025**

I would like to thank the Clerk/RFO for providing me with all the information required for the Internal Audit. (except example Allotment and Cottage Tenancy)

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 to the bank?	Yes
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed	5/24 See below (SO 16.c)
	Date Financial Regulations last reviewed	2/26
	Has a Responsible Financial Officer been appointed with specific duties?	Yes
	Is this evidenced in a Job Description?	Yes
	Have goods over £5000 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?	Yes - Claimed for 25/26
	Has s137 expenditure been approved and separately recorded and within statutory limits? (where applicable)	No s137 payments noted, and s137 column in cash book.
	Has a councillor been appointed as an Internal Control Officer?	Yes

Internal control	Test	Observations
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?	Scheme dated 24/25 Review annually.
	Does the Scheme detail all potential risk areas?	See below
	Is insurance cover appropriate and adequate?	Yes
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes 4 th Dec 25 Item 6.5
	Has the precept been calculated from the budget and been approved?	Yes
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget reported to the council during the year as well as at budget time?	Unknown A budget Monitoring Report should be given at the half year point.
	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

Internal control	Test	Observations
	Are security controls over cash and near-cash adequate and effective?	No Petty Cash, no cash handled
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?	Yes
	How are asset valuations recorded?	Based on purchase value Assets donated given value of £1.
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Bank figures reported

Internal control	Test	Observations
	Is a bank reconciliation carried out regularly and in a timely fashion?	See below
	Are there any unexplained balancing entries in any reconciliation?	No
	Does the end of year bank reconciliation include all cash held? (Other than long term investments)	Yes – no cash held 3 Bank Accounts - Community Instant (Sennowe Cottages); Community Instant Access; Community Account
Year-end procedures	Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes (R and P)
	Do accounts agree with the cash book?	Yes – see below
	Do accounts include a comparison to the previous year?	On AGAR
	Have variations (+/- 15%) been detailed numerically and quantitatively?	Variations detailed - see below
	Date AGAR to be considered by Council	8 th May 2026
	Where appropriate, have debtors and creditors been properly recorded?	N/A
Procedural	Appointment of the IA has been agreed – minute reference	September 6.5
	Have points raised on the last Internal Audit report been considered by council and actioned?	IA Report – minuted as noted
	Minutes for whole year on website?	Yes

Internal control	Test	Observations
Transparency: For smaller councils with turnover under £25,000	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	Yes (detailed in minutes)
	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)	Yes
Properties	Tenancy documents drawn up?	Not seen
	Self-managed?	Unknown
	Rents reviewed?	Yes (outsourced)
	Property Maintenance plan agreed?	No – need a 5-year plan
	Earmarked Reserve Fund for 5-year maintenance plan	No
Allotments only	Budgeted contingency fund for repairs	No
	Has a list of allotment holders with amounts paid to Council been submitted?	No
	Have fees for the allotments been reviewed and agreed by Council?	Yes
	Rules and Regulations in place?	Included within Tenancy document

Internal control	Test	Observations
Box 10	Data Protection Policy in place?	Agreed May 2024
Assertion	Generic e mail account hosted on an authority owned domain?	Yes - generic e mail to be used by all.
	Website Accessibility Statement on the website?	Yes
	Council registered with the ICO?	Yes
	IT Policy adopted and on the website?	Unknown (see below)
		Yes
	Is there an FOI Publication Scheme?	Yes
	Is it on the website?	Yes
	Is it regularly updated?	Update annually (see below)

Summary of my recommendations:

Payments

Cheques stubs should be initialed by the cheque signatories

AGAR Variations Form

PKF Littlejohn require variations to be explained both narratively and quantitatively. More detail should be provided in the Variations Form.

Documents

Standing Orders (SO 16.c)

Note the following changes needed at next review. The new Procurement Act came into force in February 2025. This means references to the Public Contracts Regulations 2015 or the Utilities Contracts Regulations 2016 (now both repealed) should be replaced with the Procurement Act 2023 and the Procurement Regulations 2024. Also, the previous requirement for open initiations for contracts over £30,000 including VAT must have been advertised on Contracts Finder – this has been replaced with a need to advertise on the Find a Tender website. For contracts exceeding £30,000 plus VAT where the contract is not being advertised but instead selected contractors are asked to quote or tender, there is no requirement to publish the details on Find a Tender, although the contract award notice would still need to be posted once awarded.

Risk Management Policy

This should be reviewed annually. At next review include Allotments and the Management of the Cottages as a risk. Mitigation is through a risk assessment (undertaken), annual inspections, tenancies issued. Rules and Regulations for the Allotments. Five-year Management Plan for the Cottages, and allocated Earmarked Reserve Funds for this.

FOI Publication Scheme

This should be updated annually and the new IT Policy should be added to the Scheme at next review.

Governance Matters

Meetings. It is a legal requirement that Council Meetings are held giving “three clear days’ notice.” Clear days exclude the date of issue, the day of the meeting, Sundays and other days such as bank holidays) Noted that February 2026 meeting agenda was dated 2nd February and the meeting was held on 5th February.

Confidential Matters. It is advisable that confidential Items are included at the end of meetings detailing the legislation permitting this (Public Bodies Admissions to Meetings) Act 1960 followed by the reason. This information is then recorded in the Minutes. (refer minutes of 14th May 2025 and 5th February 2026). The reasons are - personnel; tenders and contracts; legal reasons.

Cottage Tenancies

I have not seen a Tenancy Document. As previously mentioned, it would be advisable for the Council to have a Five-Year Management Plan for the Cottages and to make annual inspections of the properties. The Council should have an Earmarked Reserve Fund for this.