Trowse Parish Council

Internal Audit Report
Financial Year 2024/25

Prepared by Sonya Blythe
18 April 2025

I have completed an internal audit of the accounts for Trowse 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 (Scribe accounts)
	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	October 24 minutes
	Date Financial Regulations last reviewed	April 24 minutes
	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, accounted for separately in cashbook. Claim received November 24
	Is s137 expenditure separately recorded and within statutory limits?	Wreath coded to S137 cost code
	Have S137 payments been approved and included in the minutes as such?	No – see 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?	April 24 and January 25 minutes
	Is insurance cover appropriate and adequate?	Liability and fidelity cover in place
	Are internal financial controls documented and regularly reviewed?	November 2022

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 – December 23 minutes 2526 – December 24 minutes
	Has the precept been calculated from the budget and been approved?	24/25 – recorded as £57,500 2526 – recorded as £69,00
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	Twice annually – see note
	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?	Statement £57,500 Remittance £57,500
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, contracts 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
	Have PAYE/NIC been properly operated by the council as an employer?	P60 supplied, payments made to HMRC

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?	Yes, April 24 minutes
	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?	Approved 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?	AGAR – £216,039 Statements - £216,038.70
	Has a year-end bank reconciliation been undertaken?	Reconciliation - £216,038.70
	Is there an audit trail from underlying financial records to the accounts?	Yes, cashbook matched to bank accounts
	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?	Email address – the JPAG Practitioners Guide states that “every authority should have an email account that belongs to the council and to which the council has access – this ideally would be a .gov.uk or .org.uk address. See note One of the criteria of the internal audit and the governance statement are confirming that risk has been managed by

Internal control	Test	Observations
		Council each year. Your assessment was updated in April 23 but not recorded in the minutes as being approved by Council. Completed. For your Annual Parish Council Meeting each May, the election of Chairman item must be taken as the first item of business, before apologies – this is covered in item 5e of Standing Orders. Completed. S137 – your budget document / Scribe reporting does not have a S137 column. Code added
Transparency: : For smaller councils with turnover under £25,000 (best practice between £25000 and £200,000)	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes
	Payments over £500 detailed on website?	All payments published monthly on website
	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
Burial Authorities only	Are fees levied in accordance with the Council's approved scale of fees and charges?	Yes
	Have fees for the cemetery been reviewed and agreed by Council?	Yes, January 25
	Have burial books been kept up to date and are they safely stored?	Held by Clerk

Internal control	Test	Observations
Allotments only only	Has a list of allotment holders with amounts paid to Council been submitted?	Yes, included in monthly reports
	Have fees for the allotments been reviewed and agreed by Council?	Yes, September 24 minutes
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?	March 25 statement
General Data Protection Regulations	Has the Council adopted a Data Protection Policy?	Yes, published on website
	Has the Council put in place Privacy Notices?	Yes, published on website
Other		

Thank you to Kate 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 is adequate

- I confirm that your payroll management meets requirements

- I have reviewed your budget setting process

- I have reviewed the AGAR against your year-end bank reconciliations and your accounts

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

Notes / recommendations for 25/26:

-S137 - When using S137 for payments, the payment should clearly be identified within the meeting minutes as using this power. This will confirm that Councillors are collectively expressing an opinion as to the commensurate local benefit of the expenditure.

-Email address – the JPAG Practitioners Guide states that "All Parish, Town and Community Councils are eligible to use, and are advised to use, a .gov.uk domain for their websites and email communications. Your community, suppliers and partners will now reasonably expect a local council to have a .gov.uk domain name". This is advice rather than a requirement, so I flag it for information only.

-Budget monitoring – Finance Committee and then Council received spend against budget reports when budget setting and at year end. Now you have more budget codes set up on Scribe this information should be more easily accessible; as such I would recommend at least quarterly updates, so that Council are confident when authorising payments that enough money remains in the relevant budget line.

-Procurement card – As the Clerk has to pay for a lot of expenses out of pocket and then wait to be reimbursed, it would be a good idea for Council to look into introducing a procurement card for day to day spending. This can be reconciled monthly alongside the accounts.

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Sonya Blythe
Internal auditor