**Graveney with Goodnestone Parish Council**

**Internal Audit Report Financial Year 2024/25**

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| **Internal Control** | **Test** | **Observations/Recommendations** | **Notes** |
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| Proper bookkeeping | Is the cash book maintained and up to date? | Yes. |  |
|  | Is the cash book arithmetically correct? | Yes. | Spreadsheet automatic. |
|  | Is the cash book regularly balanced? | Yes. | As above. |
| Standing Orders, Financial Regulations and Payment Controls | Has the Council formally adopted Standing Orders, Financial Regulations? | Yes. |  |
|  | Date S/Os last reviewed. | May 2025 | Both SOs and FinRegs are very old versions and need updating asap. |
|  | Date FinRegs last reviewed. | May 2025 |  |
|  | Has a Responsible Financial Officer been appointed with specific duties? | Yes. | The clerk. |
|  | Have items or services above the *de minimis* amount (per FinRegs) been competitively purchased? | n/a |  |
|  | Are payments in the cash book supported by purchase orders, invoices, authorised and minuted? | Yes. |  |
|  | Has VAT on payments been identified, recorded and reclaimed? | Yes. | 2023/25 reclaim March 2025. |
|  | Is s137 expenditure separately recorded and within the statutory limit? | Yes. | Described as ‘donation’. Suggest explicit reference to s137. |
|  | Have s137 payments been approved and included in the Minutes as such? | Yes. |  |
| 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. |  |
|  | Date of Risk Assessment/Management Policy review and adoption | May 2024. |  |
|  | Is insurance cover appropriate and adequate? | Yes. | Standard Hiscox policy appropriate for smaller authorities. |
|  | Are internal financial controls documented and regularly reviewed? | Not explicitly. | Councillors review payments and receipts, bank reconciliation, and budget variance report at regular intervals. Suggest explicit internal control procedure and checklist. |
| Budgetary controls | Has the Council prepared an annual budget in support of its precept and has this been minuted as being approved? | Yes and no. | Minuting of a decision is not explicit. Recommend clear agenda item ‘to approve Budget’. |
|  | Has the precept been calculated from the budget and been approved? | Not clearly. | Confusion over any decision on Precept. Recommend clear agenda item ‘to approve Precept’, to include value. |
|  | Does the budget include an actual completed year? | No. | Recommended. |
|  | Is actual expenditure against budget regularly reported to the Council? | In budget variance report. | Quarterly. |
|  | Has the Council agreed a General Reserve Policy? | No. | Reserves are discussed in Minutes, so are considered. Recommend specific and approved Policy for clarity. |
|  | Are there any significant unexplained variances from budget? | No. |  |
|  | Where necessary, does the council have a formal Investment Policy? | n/a |  |
| 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 |  |
| 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. |  |
|  | Do salaries paid agree with those approved by the Council? | Yes. | Includes monthly office allowance. |
|  | Are salaries above the National Living Wage / Minimum Wage? | Yes. | NALC payscales. |
|  | Are other payments to employees reasonable and approved by the Council? | n/a |  |
|  | 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. | Review started May 2024. |
|  | Are the assets and investments registers up to date? When were these last reviewed? | Last reviewed October 2024. | Note that removals and additions should be voted for by Full Council. |
|  | Does the asset insurance valuations agree with those in the asset register? | Adequately covered. | Consider whether over-insured. |
| 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. | For each meeting. |
|  | Are there any unexplained balancing entries in any reconciliation? | No. |  |
| Year-end Procedures | Are year-end accounts prepared on the correct accounting basis? (Receipts and Payments, or Income and Expenditure)? | Yes. | R&P. |
|  | 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? | 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? | Yes. |  |
| Transparency: For smaller councils with turnover under £25,000 | Have the following been published? All items of expenditure above £100; End of year accounts; Annual governance statement; Internal Audit Report; List of councillor or member responsibilities; Location of public land and building assets; Minutes, agendas and papers of formal meetings. | Yes; yes; yes; yes; n/a; n/a (no land or buildings held); yes. |  |
| General Data Protection Regulation | Has the Council adopted a Data Protection Policy? | Yes. | Single policy, re-adopted May 2025. |
|  | Has the Council put in place Privacy Notices? | Yes. | As above. |
| Miscellaneous | Is the Council registered with the Information Commissioner’s Office? | Yes. | Payment October 2024. |
|  | Does the Council’s website meet accessibility requirements? | Yes. | Accessibility Statement remains out of date, updating and testing required during 2025/26. |

Per Pro Services Ltd

June 2025