

# **West Dereham Parish Council**

Internal Audit Report  
Financial Year 2024/25

Prepared by Sonya Blythe  
14 June 2025

I have completed an internal audit of the accounts for West Dereham 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 used)
	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	March 25 minutes
	Date Financial Regulations last reviewed	March 25 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, payments evidenced from invoice to minutes and bank statements
	Has VAT on payments been identified, recorded and reclaimed?	VAT accounted for in cashbook, last claim received Oct 24.  Over deminimus level but claim was non business expenditure (playground)
	Is s137 expenditure separately recorded and within statutory limits?	Separate column in cashbook, within limits
Have S137 payments been approved and included in the minutes as such?	Recorded within minutes	
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?	March 25 minutes
	Is insurance cover appropriate and adequate?	Fidelity and liability covers in place

Internal control	Test	Observations
	Are internal financial controls documented and regularly reviewed?	March 25 minutes
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	2425 – February 2024 minutes 2526 – December 24 minutes
	Has the precept been calculated from the budget and been approved?	24/25 – recorded as £17,860.00 2526 – recorded as £17,487.00
	Does the budget include an actual completed year?	No
Income controls	Is actual expenditure against budget regularly reported to the council?	No
	Are there any significant unexplained variances from budget?	No
	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Statement £17,860 Remittance £17,860
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?	Seen previously
	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
Asset controls	Have PAYE/NIC been properly operated by the council as an employer?	P60 seen, payments made to HMRC and accounted for on payslips
	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?	March 25 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?	Yes, reported in meeting minutes
Year-end procedures	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	N/A
	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 – £24,438 Statements - £24,437.69
	Has a year-end bank reconciliation been undertaken?	Reconciliation - £24,437.69 – See note
	Is there an audit trail from underlying financial records to the accounts?	Yes, cashbook matched to bank statements
Procedural	Where appropriate, have debtors and creditors been properly recorded?	N/A
	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?	Notes re Financial Regulations 2024: on reviewing the regulation 6.4 there needs to be clarification whether payments are to be signed by one or two members of the Council and whether to be countersigned by the Clerk. Complete.

Internal control	Test	Observations
Transparency: For smaller councils with turnover under £25,000	Minutes for whole year on website?	6.5 states that any cheque counterfoil should be initialled by the signatories. Although there are no recent cheque payments, previous counterfoils have not been initialled and it is worth noting that this needs to be done to meet the requirements of the regulations. N/A – not used in 2425  Yes
	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	Yes
	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, September 24 minutes
	Have burial books been kept up to date and are they safely stored?	Held by Clerk
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?	March 25

Internal control	Test	Observations
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
ICO	Is Council registered with the Information Commissioners Office?	Yes, November 24 bank statement
General Data Protection Regulations	Has the Council adopted a Data Protection Policy?	Yes, on website
	Has the Council put in place Privacy Notices?	Yes, on website (contact details within need updating)
Other		

Thank you to Samantha 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
- Your risk management policies are up to date
- I have reviewed your budget setting process and noted that you provide Committee with regular spend against budget information
- 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:**

-For complete transparency for parishioners, it is recommended that when setting the budget and precept you minute the Band D precept amount, as well as the full precept.

-Full budget monitoring should be brought to Council at least quarterly, as well as to Committees, so that Council are confident that they retain the balances that are required to manage outgoings

-When budget setting it is best practice to have a complete budget year on the document for Council to see. For example when setting the 24/25 budget, you would have had a full year showing for 22/23, then the estimate to the end of 23/24, then the 24/25 budget line for consideration. This helps to have a full summary of the financial position available

I have signed off the accounts as complete, but note that you have been unable to access your Barclays accounts for some years, and therefore may have unaccounted for interest.

*Sonya*

Sonya Blythe  
Internal auditor