

# Internal Audit Report 2024/25

## PARISH COUNCIL

Wroxham Parish Council

INTERNAL AUDITOR	Faye Haywood, CMIIA, CIA
RFO	Clare Edgington (previously Male)
DATE	26 May 2025

## Overview

The Accounts and Audit Regulations 2015 outline the requirements for Parish Councils to conduct an annual internal audit. The purpose of this review is to ensure that the council's financial procedures, practices, and controls are effective and that the internal audit function is operating efficiently.

## Key Risks

The internal auditor has evaluated the key risks relevant to the internal audit of 2024/25 with the Responsible Finance Officer and designed an assurance review that provides an independent view of the Parish Council's finances, internal procedures and compliance with relevant regulations and policies.



THE  
VIRTUAL  
AUDITOR

## Observations and management action plan (MAP)

Key observations requiring action from the Parish Council are included within the table below with an action owner and timeframe.

Ref	Observation	Recommendation	Agreed Action
<b>Where a No or Not Covered has been determined on the AGAR</b>			
1. Section F	<p><b>Petty cash payments were properly supported by receipts; all petty cash expenditure was approved and VAT appropriately accounted for.</b></p> <p>Wroxham Parish Council does not maintain petty cash. This section has therefore been marked as 'Not Covered'.</p>	None	n/a
<b>Other Observations</b>			
2.	<p><b>Assets are regularly inspected, maintained, and risks assessed.</b></p> <p>The Council undertakes weekly inspections of a play area, with evidence of inspection records and photographs retained. In addition, third-party professional inspections are carried out, demonstrating the Council's commitment to health and safety compliance.</p> <p>However, it was noted that councillors are also carrying out some minor repairs and inspections, which may blur lines of responsibility. While this hands-on approach is resourceful, it could compromise internal control principles, particularly around separation of duties and accountability.</p> <p>There is currently no formally adopted asset maintenance plan or documented scheme of delegation that clearly sets out roles, responsibilities, escalation procedures, and maintenance thresholds.</p> <p>The NALC's guidance encourages:</p> <ul style="list-style-type: none"><li>Planned maintenance schedules</li><li>Condition-based budgeting for major assets</li><li>Identifying responsibility and frequency of inspection and maintenance.</li></ul>	<p>It is recommended that the Council considers formally adopting an asset maintenance plan and documented scheme of delegation that clearly sets out roles, responsibilities, escalation procedures, and maintenance thresholds.</p>	<p>On agenda for discussion at Full Council 5 June 2025</p>

Ref	Observation	Recommendation	Agreed Action
3.	<p><b>The reserves policy has been reviewed reported to the council. The level and rationale for reserves is transparently published.</b></p> <p>Wroxham Parish Council currently maintains healthy financial reserves, including earmarked funds for Wherry Gardens (£68,093) and approximately £30,000 in general reserves. These savings generate a useful income stream from interest and reflect a prudent approach to financial stewardship. However, in the context of this strong financial position, the decision to raise the precept by 5% while also underspending on recreational areas and with visible maintenance needs such as the play area, may benefit from further review. One deposit account currently exceeds the FSCS protection limit, which has been consciously accepted.</p> <p>There is an opportunity for the Council to strengthen public confidence and planning transparency by setting out a clear spending plan for the Wherry Gardens reserve and aligning precept strategies more closely with short-term community priorities and long-term asset needs.</p> <p>This would support the principles of sound financial management and value for money, as outlined in JPAG guidance, while recognising the Council's efforts to maintain robust reserves and deliver services sustainably.</p>	<p>It is recommended that the council develops and publishes a clear spending plan for the Wherry Gardens earmarked reserve to ensure transparency and alignment with community needs. It should also review its precept strategy in light of current reserve levels and asset conditions, and consider diversifying funds to mitigate financial risk where savings exceed FSCS protection limits.</p>	<p>On agenda for discussion at Full Council 5 June 2025</p>
4.	<p><b>Purchases represent best value for money and transparency and fairness in the process can be demonstrated. i.e. quotes and tenders have been evaluated in accordance with agreed procedures.</b></p> <p>The parish council currently accepts schedules of work with attached receipts from the self-employed parish gardener Cllr Dashley. While these documents provide some evidence of expenditure, they do not meet best practice standards for financial documentation.</p>	<p>It is recommended that Parish Gardener is asked to submit formal invoices for all services rendered. Each invoice should detail the work completed, the time period covered, the amount due, and the provider's contact details.</p>	<p>Clerk to discuss with Cllr Dashley at earliest convenience.</p>



## Conclusion

The internal audit has found that Wroxham Parish Council maintains a generally sound framework of financial management and internal control. The Council demonstrates good practice in key areas such as record-keeping, payroll, risk management, and compliance with statutory requirements. Financial procedures are well documented, and the Council has adopted policies aligned with proper practices.

Some opportunities to strengthen governance were identified, particularly in relation to the use and planning of earmarked reserves, the alignment of precept strategy with asset condition and public benefit, and the formalisation of asset maintenance arrangements. While no high-risk control failures were identified, moderate findings relating to asset stewardship and financial strategy have been raised to support continued improvement.

Overall, the Council's internal control environment is appropriate for its size and complexity, and the observations made are intended to enhance transparency, accountability, and value for money in line with JPAG guidance.

I would like to thank the Parish Clerk for their assistance, cooperation, and prompt provision of information during the course of the internal audit. Their support has helped to ensure that the audit was completed smoothly and efficiently.

## Disclaimer

This internal audit has been carried out in accordance with the requirements set out in the Joint Panel on Accountability and Governance (JPAG) Practitioners' Guide and is based on the evidence made available. The audit provides an independent and reasonable assessment of the systems of internal control and financial governance in place during the financial year.

It should be noted that the internal audit is not an exhaustive review of all transactions and activities, nor does it constitute a detailed forensic or investigative audit. The responsibility for ensuring the council's compliance with legislation, proper accounting, and effective financial management remains with the members of the council.

## Appendix 1- Internal Audit Assessment



	Green - Controls in place and working effectively.
	Yellow - Minor weakness or inconsistency identified, improvement recommended to strengthen governance.
	Amber - A control gap or compliance issue exists. Action needed to mitigate risk, though not urgent or high impact.
	Red - Significant issue or failure of control. Immediate attention required to ensure compliance or mitigate serious risk.

Area	Assessment	RAG	Observation
<b>Bookkeeping</b>	<i>The cash book is maintained and up to date</i>		None
	<i>The cashbook is arithmetically correct</i>		None
	<i>The cashbook is regularly balanced</i>		None
<b>Standing Orders</b> <b>Financial Procedures</b> <b>Payment Controls</b>	<i>The Council has formally adopted standing orders and financial regulations</i>		None
	<i>An RFO been appointed with responsibilities in accordance with relevant legislation and guidance</i>		None
	<i>Purchases represent best value for money and transparency and fairness in the process can be demonstrated. i.e. quotes and tenders have been evaluated in accordance with agreed procedures.</i>		See finding 4.

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Area	Assessment	RAG	Observation
	<i>Payments in the cashbook are supported by purchase orders and invoices. These have been authorised and minuted.</i>		None
	<i>VAT payments have been identified, recorded and claimed.</i>		None
	<i>Community-focused projects and initiatives have been appropriately recorded as per S137 requirements (separate in the accounts and do not exceed limits).</i>		n/a
<b>Budgetary Control</b>	<i>The council has prepared an annual budget in support of its precept and this has been approved.</i>		None
	<i>The precept has been calculated from the budget and approved by the parish council.</i>		None

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Area	Assessment	RAG	Observation
	<i>Budget against actual expenditure has been regularly reported to council.</i>		None
	<i>Significant budget variances have been explained and reported.</i>		None
<b>Income Controls</b>	<i>Income accurately recorded and promptly banked.</i>		None
	<i>The precept received agrees to the Council Tax authorities' notification.</i>		None
	<i>Cash and near cash equivalents are adequately managed and secured.</i>		n/a
<b>Payroll</b>	<i>Employees have contracts of employment with clear terms and conditions.</i>		None

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Area	Assessment	RAG	Observation
	<i>Salaries paid agree with those approved by the council.</i>		None
	<i>Salaries are above the National Living Wage/National Minimum Wage.</i>		None
	<i>PAYE/NIC have been properly applied by the Council.</i>		None
	<i>Pension re-enrolment is up to date.</i>		None
	<i>Other payments to employees i.e. expenses are reasonable and approved by council.</i>		None
<b>Assets and Liabilities</b>	<i>The council maintains a register of all material assets and land owned or in its care and its liabilities.</i>		None



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Area	Assessment	RAG	Observation
	<i>The assets and liabilities register is regularly updated and reviewed.</i>		None
	<i>Assets are regularly inspected, maintained, and risks assessed.</i>		See finding 2.
	<i>Independent valuations agree with those recorded in the asset register</i>		None
	<i>Additions and disposals have been formally minuted.</i>		None
<b>Bank Reconciliation</b>	<i>Regular and timely bank reconciliations have been completed for each account, and these are reported to Council.</i>		None
	<i>Reconciliation discrepancies are identified and resolved.</i>		None
<b>Financial Accounts Reporting</b>	<i>Financial statement balances match to cashbook records.</i>		None

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Area	Assessment	RAG	Observation
	<i>A year end bank reconciliation has been Undertaken.</i>		None
<b>Risk Management</b>	<i>The Council has a risk management policy covering best practice which is regularly reviewed by Councillors.</i>		None
	<i>The Council carries out regular risk assessments.</i>		None
	<i>The Council evaluates the effectiveness of risk management periodically.</i>		None
<b>Burial Authorities</b>	<i>Fees have been charged in accordance with the councils approved scale of fees and charges.</i>		None
<b>Insurance</b>	<i>insurance cover is adequate and appropriate.</i>		None

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Area	Assessment	RAG	Observation
<b>Reserves Policy</b>	<i>The reserves policy has been reviewed reported to the council. The level and rationale for reserves is transparently published.</i>		See finding 3.
<b>Compliance</b>	<i>GPC Eligibility resolutions and clerk qualifications have been minuted.</i>		n/a
	<i>Minutes for the whole year are available on the website.</i>		None
	<i>Payments of over £100 are detailed on website.</i>		None
	<i>Chair declaration of office on agenda and recorded in minutes.</i>		None
	<i>Electors' rights are advertised on website.</i>		None