

## Internal Audit Report for Wickhambrook Parish Council

for the period ending 31 March 2025

Clerk	Hilary Workman
RFO (if different)	
Chairperson	Councillor Mike Lavelle
Precept	£ 46,431
Income	£ 61,041.49
Expenditure	£ 62,410.34
General reserves	£10,975.50
Earmarked reserves	£7,830
Audit type	Smaller Authority not exceeding £200,000
Auditor name	<b>Alan Melton</b>

### Introduction

The primary objective of internal audit is to review, appraise and report upon the adequacy of internal control systems operating throughout the council. To achieve this SALC adopt a predominantly systems-based approach to audit.

The council's internal control system comprises the whole network of systems established within the council to provide reasonable assurance that the council's objectives will be achieved, with reference to:

- the effectiveness of operations
- the economic and efficient use of resources

- compliance with applicable policies, procedures, laws, and regulations
- the safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity, and corruption
- the integrity and reliability of information, accounts, and data

## Methodology

When conducting the audit, the internal auditor may:

- conduct a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete the Annual Internal Audit Report 2024/25 of the Annual Governance and Accountability Return (AGAR)
- review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information
- review the means of safeguarding assets and, as appropriate, verify the existence of such assets
- appraise the economy and efficiency with which resources are employed, identify opportunities to improve performance and recommend solutions to problems
- review the established systems to ensure compliance with those policies, procedures, laws, and regulations which could have a significant impact on operations, and determine whether the council complies
- review the operations and activities to ascertain whether results are consistent with objectives and whether they are being conducted as planned

<b>Section 1 – proper bookkeeping</b> The internal auditor will look at the methods and processes used to manage the council's accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.		
Evidence		Internal auditor commentary
Is the ledger maintained and up to date?	Yes	The Council uses Easy PC Software. The Council operates a Receipt and payments basis. Upon inspection, the RFO can produce clear and concise finance reports for members.
Is the ledger on the correct basis in relation to the gross income/expenditure?	Yes	The council follows good practise and guidelines and gives accurate information.
Is the cash book up to date and regularly verified?	Yes	The records show an accurate recording of all transactions.
Is the arithmetic correct?	Yes	Spot checks result in no problems.
<b>Additional comments: The council resolved to use Scribe for the financial year 2024/2025 for cemetery accounting</b>		

Section 2 – Financial Regulation and Standing Orders		
The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC'S latest model which include legislative changes.		
Evidence		Internal auditor commentary
Have Standing Orders been adopted, up to date and reviewed annually?	Yes	Model Standing Orders were updated 19 <sup>th</sup> June 2024 to take into account Model Standing Orders 2018 (England – updated April 2022)
Are Financial Regulations up to date and reviewed annually?	Yes	The council uses NALC Financial Regulations, 2024.
Has the Council properly tailored the Financial Regulations?	Yes	The councils Financial Regulations are based on Financial Regulations 2024 and were re-adopted 19 <sup>th</sup> June 2024
Has the Council appointed a Responsible Financial Officer (RFO)? <sup>1</sup>	Yes	The Clerk is also the Responsible Finance Officer
<b>Additional comments: Note: The Model Financial Regulations were updated March 2025. The council will need to update their Financial Regulations.</b>		

<sup>1</sup> Section 151 Local Government Act 1972 (d)

<b>Section 3 – Payment controls</b> The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
Is there supporting paperwork for payments with appropriate authorisation?	Yes	The ledgers are Up To Date and recorded and presented to the full council meetings for comment and payment authorisation.
Where applicable, are internet banking transactions properly recorded and approved?	Yes	Banking transactions are approved by full council and BACs payments are authorised by two members, in accordance with the Financial Regulations and Standing Orders
Is VAT correctly identified, recorded, and claimed within time limits?	Yes	VAT is recorded and re-claimed in accordance with the Financial Regulations. The VAT position is reported to full council.
Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? <sup>2</sup>	No	The council does not have The General Power of Competence.
Are payments under s.137 <sup>3</sup> separately recorded, minuted and is there evidence of direct benefit to electorate?	Yes	S137 payments are properly recorded. The donations for the year 2024/2025 are recorded as “Charitable Donations” within the community.
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	N/A	The council has no borrowings
<b>Additional comments:</b>		

<sup>2</sup> Localism Act

<sup>3</sup> Section 137 of the Local Government Act 1972 (“the 1972 Act”) enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. The basic power is for a local council to spend money (subject to the statutory limit – of £10.81 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

<b>Section 4 – Risk management</b>		
The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.		
<b>Evidence</b>		Internal auditor commentary
<i>Is there evidence of risk assessment documentation?</i>	Yes	The Risk Assessments were reviewed and adopted 25 <sup>th</sup> April 2024
<i>Is there evidence that risks are being identified and managed?</i>	Yes	There is a Financial Risk Assessment, General Risk Assessment and a Risk Management Policy. Adopted by council 19 <sup>th</sup> June 2024
<i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee <b>and</b> has been reviewed on an annual basis?</i>	Yes	Public Liability £12m Employment Liability £10m Fidelity Guarantee £250k The policy is reviewed on an annual basis.
<i>Evidence that internal controls are documented and regularly reviewed<sup>4</sup></i>	Yes	Internal controls are well documented and updated and presented to council quarterly.
<i>Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment<sup>5</sup></i>	Yes	In accordance with the Accounts and Audit Regulations 2025 the council formally reviewed the scope and effectiveness of its internal audit, the policy was adopted 19 <sup>th</sup> June 2024
<b>Additional comments:</b>		

<sup>4</sup> Accounts and Audit Regulations

<sup>5</sup> Practitioners Guide

<b>Section 5 – Budgetary controls</b>		
The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed		
<b>Evidence</b>		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	Yes	The budget was prepared in accordance with current guidelines and policies and agreed by full council. The budget for 2024/2025 was approved 11 <sup>th</sup> January 2024, minute number 24.01.12.1
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	Yes	The precept of £46,341 was agreed at the council meeting 11 <sup>th</sup> January 2024. Minute number 24.01.12.3
<i>Regular reporting of expenditure and variances from budget</i>	Yes	Variances are reported to council quarterly.
<i>Reserves held – general and earmarked<sup>6</sup></i>	Yes	General Reserves: £10,975.50 Earmarked Reserves: £7,830
<b>Additional comments:</b>		

<sup>6</sup> In accordance with proper practices, the generally accepted minimum level of a Smaller Authority's General Reserve is that this should be maintained at between three (3) and twelve (12) months of Net Revenue Expenditure

Section 6 – income controls		
The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this.		
Evidence		Internal auditor commentary
Is income properly recorded and promptly banked?	Yes	Income is recorded in accordance with the councils’ financial regulations. A number of items were cross checked against the cash book and bank statements and found to be in order and recorded in accordance with proper practises. The Clerk/RFO ensured the accounting records contain day to day entries.
Is income reported to full council?	Yes	Income is reported to council at every meeting and minuted.
Does the precept recorded agree to the Council Tax Authority’s notification?	Yes	The request and subsequent bank entry balance.
If appropriate, are CIL reporting schedules in accordance with the Regulations? <sup>7</sup>	N/A	The council has no CiL income.
Is CIL income reported to the council?	N/A	
Does unspent CIL income form part of earmarked reserves?	N/A	
Has an annual report been produced?	N/A	
Has it been published on the authority’s website?	N/A	
Additional comments:		

<sup>7</sup> Community Infrastructure Levy Regulations 2010



<b>Section 7 – petty cash</b> The Internal Auditor will seek evidence that the Council has followed its own policies, procedures, and verification processes and that these are up to date.		
<b>Evidence</b>		Internal auditor commentary
<i>Is petty cash in operation?</i>	<i>No</i>	The council does not operate a petty cash system.
<i>If appropriate, is there an adequate control system in place?</i>	<i>N/A</i>	
<b>Additional comments:</b>		

<b>Section 8 – Payroll controls</b>		
The Internal Auditor will check salaries were approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.		
<b>Evidence</b>		<b>Internal auditor commentary</b>
<i>Do all employees have contracts of employment?</i>	Yes	Although for the purpose of internal audit, I have not seen the contracts of employment. Salary and adjustments are approved by council.
<i>Has the Council approved salary paid?</i>	Yes	
<i>Minimum wage paid?</i>	No	The council does not use minimum wage scales.
<i>Are arrangements in place for authorising of the payroll and payments to the council? Does this include a verification process for agreeing rates of pay to be applied?</i>	Yes	The payroll and payment of salary is reported to every council.
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	Yes	The payment of salaries, PAYE/NIC are outsourced to Suffolk Association of Local Councils, Payments to HMRC are made in accordance with HMRC rules.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?<sup>8</sup></i>	Yes	The pension responsibilities are completed by NEST. The council is aware of its pension responsibilities, and payments are made within the timescales agreed. The council confirmed on 23 <sup>rd</sup> December 2022 that re-declaration forms have been submitted <i>Comment:</i> The next re-declaration is due 23 <sup>rd</sup> December 2025. (third anniversary of re-declaration).
<i>Have pension re-declaration duties been carried out</i>	Yes	As Above.
<i>Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?</i>	Yes	Expenses are paid in accordance with the Council's Financial Regulations.
<b>Additional comments:</b>		

<sup>8</sup> The Pension Regulator – [website click here](#)

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## Section 9 – Asset control

The Internal Audit will be seeking to establish if there is a list of assets in accordance with proper practices including the date of acquisition, location, and value. This extends to checking policies (with evidence of review) and that the Council has applied the documented approach in practice. The Internal Auditor will check not only valuation processes but the existence of reserve budgets for depreciation and adequacy of insurance. A clear audit trail should be available when items are purchased including minutes to evidence approval.

Evidence		Internal auditor commentary
<i>Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices?<sup>9</sup></i>	Yes	<p>There is a full and comprehensive list of the council's assets. The total recorded value of general assets is: £132,121.63 plus the value of replacing the war memorial: £51,300 and the re-building of the Chapel of Rest: £151.609.</p> <p>Total value of assets: £335,030.63 an increase of £9,199 or an increase of 4%. There were no significant additions to the asset register.</p>
<i>Is the value of the assets included? (Note value for insurance purposes may differ)</i>	Yes	
<i>Are records of deeds, articles, land registry title number available?</i>	Yes	
<i>Are copies of licences or leases available for assets sited at third party property?</i>	No	<p>The insurance value of £179,586 is included in all risks cover</p> <p>Records of deeds and articles were not inspected.</p> <p>I did not inspect the land registry records for the deeds to Cemetery Road or the Pocket Park. The documents were inspected by the internal auditor 2023/2024.</p>
<i>Is the asset register up to date and reviewed annually?</i>	Yes	

<sup>9</sup> Practitioners Guide

<i>Cross checking of insurance cover</i>	Yes	Records and insurance provision have been cross checked and are adequate.
<b><i>Additional comments:</i></b>		

Section 10 – bank reconciliation		
The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.		
Evidence		Internal auditor commentary
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	Yes	Bank reconciliations are completed on a regular basis and reported at monthly council meetings.
<i>Do bank balances agree with bank statements?</i>	Yes	Cross checking reveals that bank balances agree with statements.
<i>Is there regular reporting of bank balances at Council meetings?</i>	Yes	At monthly council meeting and reported in the minutes. The end of year bank balance is £18805.50 Balances on the accounting statement Box 7&8 £18,806

Section 11 – year end procedures		
Evidence		Internal auditor commentary
Are appropriate accounting procedures used?	Yes	Accounts are produced on a receipts and expenditure basis.
Financial trail from records to presented accounts	Yes	There is a full audit trail.
Has the appropriate end of year AGAR <sup>10</sup> documents been completed?	Yes	The council has a gross income of more than £25,000 but less than £200,000.
Did the Council meet the exemption criteria and correctly declared itself exempt?	N/A	See above
During the period in question did the small authority demonstrate that it correctly provided for the exercise of public right as required by the Accounts and Audit Regulations 2015?	Yes	The Public Rights Notice was published on Friday 31 <sup>st</sup> May 2024. The documents were available for inspection from: Monday 3 <sup>rd</sup> June 2024 to Friday 12 <sup>th</sup> July 2024
Have the publication requirements been met in accordance with the Regulations? <sup>11</sup>	Yes	
<b>Additional comments:</b>		

<sup>10</sup> Annual Governance & Accountability Return (AGAR)

<sup>11</sup> Accounts and Audit Regulations 2015

<b>Section 12 – internal audit</b>		
The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous internal audit report?</i>	Yes	The internal auditors report was presented to council 25 <sup>th</sup> April 2024 at minute 24.04.12.1
<i>Has appropriate action been taken regarding the recommendations raised?</i>	Yes	The council agreed to note the contents of the report, there is no evidence that the council took any specific actions against any comments in the report.
<i>Has the Council confirmed the appointment of an internal auditor?</i> <i>Has the letter of engagement been approved by full council?</i>	Yes	The council appointed Suffolk Association of Local Councils to carry out the Internal Audit, minute number 24.01.09.1 11 <sup>th</sup> January 2024.
<b>Additional comments:</b>		

<b>Section 13 – external audit for the period under review</b>		
The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Has the Council considered the previous external audit report?<sup>12</sup></i>	Yes	26 <sup>th</sup> September 2024, Minute: 24.09.09.1.
<i>Has appropriate action been taken regarding the comments raised?</i>	N/A	There were no comments or recommendations.
<b><i>Additional comments: The Council's records are kept in accordance with current guidelines and legislation. The council should be commended for the concise and transparent recording.</i></b>		

<sup>12</sup> Regulation 20 Accounts and Audit Regulations 2015 – *following completion of an audit the Council should note that it is the Council as a whole (i.e., All members) and not a committee that should receive and consider the audit letter (including Annual Return and Certificate) from the local auditor as soon as reasonably practicable and the minutes should reflect that these have been received.*



<b>Section 14 – additional information</b>		
The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
<b>Evidence</b>		<i>Internal auditor commentary</i>
<i>Was the annual meeting held in accordance with legislation?</i> <sup>13</sup>	Yes	Thursday 30 <sup>th</sup> May 2024
<i>Is there evidence that Minutes are administered in accordance with legislation?</i> <sup>14</sup>	Yes	Councillor Mike Lavelle was elected Chair for the municipal year 2024/2025
<i>Is there a list of members' interests held?</i>	Yes	Published on the West Suffolk District Council Website.
<i>Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?</i>	N/A	The council has no trustee responsibilities
<i>Has the Transparency Code been correctly applied, and information published in accordance with current legislation?</i>	Yes	The Local Government Transparency Code has been 2015 has been adopted by council and records all payments and income, All payments over £500 are recorded on the council's website.
<i>Has the Council registered with the Information Commissioner's Office (ICO)?</i> <sup>15</sup>	Yes	The council is registered with the Information Commissioners Office. Registration number ZA074439
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	Yes	Documents available and published for Internal Audit: <ul style="list-style-type: none"> <li>• Data Protection Policy</li> <li>• Document and Retention Policy</li> <li>• Media Policy</li> <li>• Publication Scheme</li> <li>• Requests for Information Policy</li> <li>• Safeguarding Policy</li> <li>• Social media Policy</li> <li>• General Privacy Notice</li> <li>• Subject Access Request Policy (SAR)</li> </ul>

<sup>13</sup> The Local Government Act 1972 Schedule 12, paragraph 7 (2) and Schedule 15 (2)

<sup>14</sup> Public Bodies (Admission to Meetings) Act 1960, Local Government Act 1972, and the Localism Act 2011

<sup>15</sup> Data Protection Act 2018

<i>Has the Council published a website accessibility statement on their website in line with Regulations?<sup>16</sup></i>	Yes	Council has accessibility tools on its website thereby allowing for the increased functionality of the councils website, along with a website accessibility statement on the council website detailing the technical information of the website along with methods used for testing the website: the steps being taken to improve accessibility and how the site is being taken how the site is being improved to ensure content meets WCAG 2.1 Standard under Regulation 8 of the Public Sector Bodies (Website and mobile Applications) (2) Accessibility Regulations 2018
<i>Does the council have official email addresses for correspondence?<sup>17</sup></i>	Yes	The council operates org.uk email address for all councillors and the Clerk.
<i>Is there evidence that electronic files are backed up?</i>	Yes	Microsoft Cloud
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	Yes	Terms of reference are regularly reviewed.
<b>Additional comments:</b>		

Signed: Alan Melton

Date of Internal Audit Visit: 14<sup>th</sup> April 2025      Date of Internal Audit Report: 14<sup>th</sup> April 2025

On behalf of Suffolk Association of Local Councils

<sup>16</sup> Website Accessibility Regulations 2018

<sup>17</sup> Practitioners Guide