Internal Audit Report 2024/25

PARISH COUNCIL	**Weasenham Parish Council**
INTERNAL AUDITOR	Faye Haywood, CMIIA, CIA
RFO	Gail Robinson
DATE	17/05/2025

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.

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	Owner and timeframe
Where a No or Not Covered has been determined on the AGAR				
1. Section F	**Petty cash payments were properly supported by receipts; all petty cash expenditure was approved and VAT appropriately accounted for.** Weasenham Parish Council does not maintain petty cash. This section has therefore been marked as 'Not Covered'.	None	n/a	n/a
2. Not to section B	Payments from a restricted community benefit fund were incorrectly used to cover routine council expenditure during the year. The issue was identified, reported to the Fund Manager, and rectified. Controls have since been strengthened to prevent recurrence. No material loss or external sanction resulted. As the misuse was transparently reported and resolved, and fund conditions do not appear to have been breached deliberately, section B has been marked 'Yes'	None	n/a	n/a
Other Observations				

Ref	Observation	Recommendation	Agreed Action	Owner and timeframe
3.	**The Council has formally adopted standing orders and financial regulations** The Standing Orders and Financial Regulations have not yet been updated to reflect the legislative changes following Brexit. The implementation of the Procurement Act 2023 is also expected for all relevant procurements initiated on or after 24 February 2025. Additionally, while both the Financial Regulations and Standing Orders were reviewed by the Council in November 2024, the updated versions have not been published on the website. The versions currently available still show a 'next review date' of May and June 2024, respectively.	During the next review of these documents, it is suggested that the Parish Council reviews and publishes the up-to-date version of the documents: • Removing all references to the OJEU, replacing them with Find a Tender (FTS) within the Contract Standing Orders. • Replace references to the Public Contracts Regulations 2015 with the Procurement Act 2023 in the Financial Regulations and Standing Orders.	As per recommendation.	On PC 200525 agenda for consideration. Clerk to upload adopted documents within week of meeting.

Ref	Observation	Recommendation	Agreed Action	Owner and timeframe
4.	**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.** It was noted during the audit that council members have been directly involved in purchasing equipment and obtaining quotes for works on behalf of the council. This appears to stem from a desire to support the council's operations and ensure progress on local projects, particularly in a small council setting where capacity is often limited. However, these activities fall within the operational responsibilities of the Clerk as per financial regulations and should be managed accordingly. As per JPAG guidance - *The proper conduct of a council's business relies on maintaining a clear separation between members and officers. Members should not be involved in the day-to-day administration of the council.*	To support good governance and safeguard the council, it is recommended that: operational procurement (including obtaining quotes and placing orders) should be conducted by the Clerk.	As per recommendation.	Clerk – immediately.

Ref	Observation	Recommendation	Agreed Action	Owner and timeframe
5.	**Payments in the cashbook are supported by purchase orders and invoices. These have been authorised and minuted.** During the audit of accounting records for the financial year, it was noted that not all supplier invoices or receipts are uploaded or attached to the corresponding transactions within the Scribe accounting system. Instead, some invoices are stored separately (e.g., in email folders or physical files). Maintaining financial records across multiple unlinked locations (e.g. email, hard copy files, external folders) weakens the audit trail, making it more difficult to verify that payments are accurate, lawful, and supported by original documentation.	It is suggested that supporting information for each transaction such as supplier invoices and receipts are consistently uploaded into Scribe, as an attachment to each corresponding payment entry.	As per recommendation.	Clerk – Immediately.
6.	**The Council has a risk management policy covering best practice which is regularly reviewed by Councillors.** The Council carried out a review of its Risk Assessment during the year. However, the current assessment focuses primarily on financial risks (e.g. financial controls, asset protection, insurance) and does not include a full range of operational or governance risks. The JPAG guidance encourages councils to consider: • Reputational risks, • Legal and compliance risks, • Operational/service delivery risks, • Health & safety and data protection	It is recommended that the Council expands its risk assessment to include operational and governance risks, using a broader framework. In particular, the Council should consider the risks and necessary controls to prevent the accidental publication of personal information, especially in light of its decision to publish Freedom of Information (FOI) requests and responses on its website.	As per recommendation.	Clerk to produce recommended document. PC to consider 290725.

Ref	Observation	Recommendation	Agreed Action	Owner and timeframe
	In addition, the current version of the assessment uploaded to the website still has a review date of November 2024.	It is also suggested that the risk assessment on the website is updated showing its most recent review date.		
7.	**The reserves policy has been reviewed and reported to the council. The level and rationale for reserves is transparently published.** The Council has considered the appropriate level of reserves during the year, and the rationale has been clearly minuted. However, the Council does not currently have a formal reserves policy setting out the basis for maintaining general and earmarked reserves. The JPAG Practitioners' Guide 2024 (Section 5.32) states: "The council should have regard to the level of general reserves it maintains and should consider adopting a policy setting out the rationale for holding a specified level of reserves."	It is therefore recommended that the Council develops and adopts a formal reserves policy and publishes this on its website.	As per recommendation.	Clerk to produce recommended document. PC to consider 290725.

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Ref	Observation	Recommendation	Agreed Action	Owner and timeframe
8.	**Key policies and procedures are in place, reviewed by the council and updated regularly.** The council has made efforts to review key governance policies during the year. However, several policies listed on the council's website show outdated review dates, despite having been reviewed and adopted at meetings. Some policies, such as the Health and Safety Policy and Inspection Procedures, appear to have not been reviewed within their stated review cycle. As a result, it is difficult to confirm which policies are current and which may be overdue for revision which could create a perception of poor governance, even where reviews have occurred. The JPAG Practitioners' Guide (2023), para 5.107 requires that: "Authorities must have arrangements in place to maintain and safeguard governance documents and to keep them up to date."	It is recommended that the Council updates policy review date information on its website immediately after adoption, to ensure the public record remains accurate and up to date. Policies that appear to be overdue (such as Health & Safety) should be prioritised for formal review and re-adoption in 2024/25.	As per recommendation.	Clerk – immediately. H&S policy on agenda for consideration 200525. Clerk to up load to website within one week of meeting.
9.	**The Council has adopted and regularly reviews its Code of Conduct.** The Council's current Code of Conduct, adopted in 2015 and reviewed annually, does not incorporate the more recent model developed by the Local Government Association (LGA) and adapted for parish councils by the National Association of Local Councils (NALC) in 2020 (updated 2021).	It is recommended that the Council considers adopting the NALC-endorsed version of the LGA Model Councillor Code of Conduct (2021), or a locally adapted version, to ensure its code remains relevant, comprehensive, and consistent with current best practice.	As per recommendation.	PC to consider 290725.

Conclusion

The internal audit for the 2024/25 financial year has confirmed that Weasenham Parish Council appropriate controls in place to support compliance with the Accounts and Audit Regulations 2015 and the expectations set out in the Joint Panel on Accountability and Governance (JPAG) Practitioners' Guide.

Several areas of good practice were observed, including timely budget preparation, accurate financial record-keeping, and regular reconciliation and reporting. The Council has made visible efforts to review its key policies, demonstrate transparency in financial decision-making, and engage constructively with the audit process.

The audit has identified a number of opportunities to further strengthen internal controls and governance arrangements. These relate primarily to the clarity of roles in purchasing, the consistency of governance documentation, and the broadening of risk assessment coverage to include operational and governance risks. In addition, a note has been included within the internal audit report to explain the basis for a 'Yes' response on the AGAR form, where a one-off control issue regarding the use of restricted funds was identified and addressed during the year.

Overall, the Council is operating within a framework of effective financial governance appropriate for its size, and the actions recommended in this report will support its ongoing commitment to improvement and good stewardship of public funds.

I would like to thank the Parish Clerk for their assistance, cooperation, and provision of information during the course of the internal audit.

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	Observations
Bookkeeping	*The cash book is maintained and up to date*		*None*
	The cashbook is arithmethically correct		*None*
	The cashbook is regularly balanced		*None*

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Area	Assessment	RAG	Observations
Standing Orders	*The Council has formally adopted standing orders and financial regulations*	3	The Standing Orders and Financial Regulations have not yet been updated to reflect the legislative changes following Brexit. The implementation of the Procurement Act 2023 is also expected for all relevant procurements initiated on or after 24 February 2025. During the next review of these documents, it is therefore suggested that the Parish Council reviews and updates to: • Remove all references to the OJEU, replacing them with Find a Tender (FTS) within the Contract Standing Orders. • Replace references to the Public Contracts Regulations 2015 with the Procurement Act 2023 in the Financial Regulations and Standing Orders. Additionally, while both the Financial Regulations and Standing Orders were reviewed by the Council in November 2024, the updated versions have not been published on the website. The versions currently available still show a ‘next review date’ of May and June 2024, respectively. It is suggested that this is corrected to ensure transparency and consistency with council records.

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Area	Assessment	RAG	Observations
	An RFO been appointed with responsibilities in accordance with relevant legislation and guidance		*None*
Financial Procedures	*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.*	4	It was noted during the audit that council members have been directly involved in purchasing equipment and obtaining quotes for works on behalf of the council. This appears to stem from a desire to support the council's operations and ensure progress on local projects, particularly in a small council setting where capacity is often limited. However, these activities fall within the operational responsibilities of the Clerk as per financial regulations and should be managed accordingly. As per JPAG guidance - *The proper conduct of a council's business relies on maintaining a clear separation between members and officers. Members should not be involved in the day-to-day administration of the council.* To support good governance and safeguard the council, it is recommended that: operational procurement (including obtaining quotes and placing orders) should be conducted by the Clerk.

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Area	Assessment	RAG	Observations
	Payments in the cashbook are supported by purchase orders and invoices. These have been authorised and minuted.	5	During the audit of accounting records for the financial year, it was noted that not all supplier invoices or receipts are uploaded or attached to the corresponding transactions within the Scribe accounting system. Instead, some invoices are stored separately (e.g., in email folders or physical files). Maintaining financial records across multiple unlinked locations (e.g. email, hard copy files, external folders) weakens the audit trail, making it more difficult to verify that payments are accurate, lawful, and supported by original documentation. It is suggested that supporting information for each transaction such as supplier invoices and receipts are consistently uploaded into Scribe, as an attachment to each corresponding payment entry.
	VAT payments have been identified, recorded and claimed.		*None*

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Area	Assessment	RAG	Observations
	Community-focused projects and initiatives have been appropriately recorded as per S137 requirements (separate in the accounts and do not exceed limits).		*n/a*
Budgetary Control	*The council has prepared an annual budget in support of its precept and this has been approved.*		*None*
	The precept has been calculated from the budget and approved by the parish council.		*None*
	Budget against actual expenditure has been regularly reported to council.		*None*
	Significant budget variances have been explained and reported.		*None*

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Area	Assessment	RAG	Observations
Income Controls	*Income accurately recorded and promptly banked.*		None
	The precept received agrees to the Council Tax authorities' notification.		None
	Cash and near cash equivalents are adequately managed and secured.	1	n/a
Payroll	*Employees have contracts of employment with clear terms and conditions.*		None
	Salaries paid agree with those approved by the council.		None
	Salaries are above the National Living Wage/National Minimum Wage.		None

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Area	Assessment	RAG	Observations
	PAYE/NIC have been properly applied by the Council.	Green	None
	Pension re-enrolment is up to date.		n/a
	Other payments to employees i.e. expenses are reasonable and approved by council.	Green	None
	Pension contributions have been regularly reconciled with payroll records and pension provider statements to verify accuracy.		n/a
Assets and Liabilities	*The council maintains a register of all material assets and land owned or in its care and its liabilities.*	Green	None
	The assets and liabilities register is regularly updated and reviewed.	Green	None

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Area	Assessment	RAG	Observations
	Independent valuations agree with those recorded in the asset register		*None*
	Additions and disposals have been formally minuted.		*None*
Bank Reconciliation	*Regular and timely bank reconciliations have been completed for each account, and these are reported to Council.*		*None*
	Reconciliation discrepancies are identified and resolved.		*None*
Financial Accounts Reporting	*Financial statement balances match to cashbook records.*		*None*

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Risk Management	*The Council has a risk management policy covering best practice which is regularly reviewed by Councillors.*	6	The Council carried out a review of its Risk Assessment during the year. However, the current assessment focuses primarily on financial risks (e.g. financial controls, asset protection, insurance) and does not include a full range of operational or governance risks. The JPAG guidance encourages councils to consider: • Reputational risks, • Legal and compliance risks, • Operational/service delivery risks, • Health & safety and data protection It is therefore recommended that the Council expands its risk assessment to include operational and governance risks, using a broader framework. In particular, the Council should consider the risks and necessary controls to prevent the accidental publication of personal information, especially in light of its decision to publish Freedom of Information (FOI) requests and responses on its website. In addition, the current version of the assessment uploaded to the website still has a review date of November 2024. It is suggested that this is corrected to ensure transparency and consistency with council records.

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Area	Assessment	RAG	Observations
	The Council carries out regular risk assessments.		None
Insurance	*The council maintains insurance appropriate to its activities and risks. Annual review of cover is documented.*		None
Reserves Policy	*The reserves policy has been reviewed and reported to the council. The level and rationale for reserves is transparently published.*	7	The Council has considered the appropriate level of reserves during the year, and the rationale has been clearly minuted. However, the Council does not currently have a formal reserves policy setting out the basis for maintaining general and earmarked reserves. The JPAG Practitioners' Guide 2024 (Section 5.32) states: "The council should have regard to the level of general reserves it maintains and should consider adopting a policy setting out the rationale for holding a specified level of reserves." It is therefore recommended that the Council develops and adopts a formal reserves policy and publishes this on its website.

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Area	Assessment	RAG	Observations
Governance & Compliance	*Key policies are in place, reviewed by the council and updated regularly*	8	The council has made efforts to review key governance policies during the year. However, several policies listed on the council's website show outdated review dates, despite having been reviewed and adopted at meetings. Some policies, such as the Health and Safety Policy and Inspection Procedures, appear to have not been reviewed within their stated review cycle. As a result, it is difficult to confirm which policies are current and which may be overdue for revision which could create a perception of poor governance, even where reviews have occurred. The JPAG Practitioners' Guide (2023), para 5.107 requires that: "Authorities must have arrangements in place to maintain and safeguard governance documents and to keep them up to date." It is therefore suggested that the Council ensures that policy review dates are updated on the council's website immediately following adoption, to maintain an accurate public record. Policies that appear to be overdue (such as Health & Safety) should be prioritised for formal review and re-adoption in 2024/25.

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Area	Assessment	RAG	Observations
	GPoC Eligibility resolutions and clerk qualifications have been minuted.		n/a
	The Council has adopted and regularly reviews its Code of Conduct.	9	The Council's current Code of Conduct, adopted in 2015 and reviewed annually, does not incorporate the more recent model developed by the Local Government Association (LGA) and adapted for parish councils by the National Association of Local Councils (NALC) in 2020 (updated 2021). It is recommended that the Council considers adopting the NALC-endorsed version of the LGA Model Councillor Code of Conduct (2021), or a locally adapted version, to ensure its code remains relevant, comprehensive, and consistent with current best practice.
	Minutes for the whole year are available on the website.		*None*
	Payments of over £100 are detailed on website.		*None*

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Area	Assessment	RAG	Observations
	Chair declaration of office on agenda, co-signed by Clerk.		*None*
	Proper provision has been made for the exercise of electors' rights		*None*
Charities	*The council met its responsibilities as a trustee.*		*None*
	The charities accounts and annual return has been filed in accordance with requirements.		*None*