Great Ellingham Parish Council

Internal Audit Report

Financial Year 2025/2026

Prepared by Carol A Bailey

BA (Hons) CiLCA PIALC MAC

I have completed an internal audit of the accounts for Council for the year ending 31st March 2026. My findings are detailed below using the tests provided in the **Governance and Accountability(England) March 2023.**

I would like to thank the Clerk/RFO for providing me with all the information required for the Internal Audit.

Internal control	Test	Observations
Proper bookkeeping	Is the cashbook maintained and up to date?	Yes
	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	Min No 11 Meeting of 21 May 2025 refers
	Date Financial Regulations last reviewed	Min No 11 Meeting of 21 May 2025 refers
	Has a Responsible Financial Officer been appointed with specific duties?	Yes – Clerk is RFO
	Have items or services above the de minimus amount been competitively purchased?	Yes
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes
	Has VAT on payments been identified, recorded and reclaimed?	Yes – fully identified – claim to be made
	Has s137 expenditure been approved and separately recorded and within statutory limits? (where applicable)	Yes
	Are Financial Regulations followed?	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?	Not found – see end note
	Is insurance cover appropriate and adequate?	Yes - Zurich

Internal control	Test	Observations
	Are internal financial controls documented and regularly reviewed?	See end note
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	There is a budget available but I understand the Precept was agreed between the Chair and Vice Chair as the District
	Has the precept been calculated from the budget and been approved?	Council required details. The agreement of the Precept has not been recorded anywhere in the Minutes
	Does the budget include an actual completed year?	See above
	Is actual expenditure against budget regularly reported to the council?	Yes
	Are there any significant unexplained variances from budget?	No
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?	No cash held
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
	Are salaries above the National Living Wage/Minimum Wage?	Yes – see end note
	Are other payments to employees reasonable and approved by the council?	Yes
	Have PAYE/NIC been properly operatedby the council as an employer?	Yes
Asset controls	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?	Yes

Internal control	Test	Observations
	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
	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	Yes
Year-end procedures	Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes
	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?	Yes
Procedural	Have points raised on the last Internal Audit report been considered by council and actioned?	Yes
	Policy documents routinely updated?	Yes
Transparency: For smaller councils with turnover under £25,000	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	Yes
	Electors’ rights advertised on website?	Yes

Internal control	Test	Observations
	Councillors' responsibilities detailed on website?	Yes and link to District Council Register of Interests is on website
	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
General Data Protection Regulation (compliance from 25 May 2018) FOI Publication Scheme	Has the Council put in place a privacy policy? Is it on the website?	Yes Yes
	Is there an FOI Publication Scheme?Is it on the website? Is it updated?	Yes Yes Yes

Part B: Trust Funds (If Applicable)

"The authority, in its capacity as the sole managing trustee of a local trust or trusts, has met its responsibilities as a trustee."

Trust Identification	Is the Council the **Sole Managing Trustee** of any trust (Check Charity Commission)	N/A	N/A
Separate Accounting	Separate bank account and records for Trust Funds. No mixing with Council Funds	N/A	N/A
Trust Deed Compliance	Actions taken in line with Trust deed or Governing Document	N/A	N/A
Annual Reporting	Annual Return or accounts submitted to Charity Commission (if required)	N/A	N/A
Meeting Minutes	Decisions as Trustee are minuted separately from Council business	N/A	N/A

Part C: Assertion 10 – Digital & Data Compliance

Does the council use a dedicated, council-owned email domain for all official communications?	Yes
Has an IT policy been formally adopted by the council?	Yes

Is a current Data Protection Policy published and followed?	Yes
Are website accessibility statements present, up-to-date, and reviewed annually?	Yes
Has a data audit been conducted recently to confirm what data is held, where, and why?	Not found
Are all required documents published on the website according to the ICO's Model Publication Scheme and Transparency Code?	Yes

Summary of my recommendations:

A clear and concise set of accounts were provided by the Clerk with the website being regularly updated and this ensured a smooth audit was able to take place.

I would make the following observations:

1. I have answered No to Internal Control Objective C as I can find no Internal Control Policy or reference to any Internal Control checks being carried out. I would therefore recommend the Council introduce an Internal Control Policy and nominate a named Councillor as the Internal Control Officer.
2. I found it necessary to reply No to Internal Control Objective D as the Precept did not result from an adequate budgetary process and was not agreed or minuted at a Council meeting. This was prior to the current Clerks tenure.
3. I would further recommend the Council introduce a General Reserves Policy for total openness and transparency
4. With regard to the Clerks salary I understand she is currently employed on Grade LC1 (above substantive range). It is recommended all unqualified Clerks should be paid on Grade LC2 (below substantive range) Points 18 to 23 but once a CiLCA has been obtained they should be paid on Grade LC2 Points 24 to 28. I would therefore recommend the Council carry out a review of the Clerks salary and re-grade if necessary

I would take this opportunity to thank the Clerk for her help in completing this audit and would congratulate her on the work she has undertaken to enable the Council to have compliance to Assertion 10.

Carol A Bailey (Hons) CiLCA PIALC MAC
9 Potters Crescent
Great Moulton
NR15 2HL

07930 483895

carolabailey1305@outlook.com

www.carolabailey.co.uk