

Gooderstone Parish Council

Internal Audit Report
Financial Year 2024/25

Prepared by Sonya Blythe
17 July 2025

I have completed an internal audit of the accounts for Gooderstone 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 |
| | 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 | Website version dated 2019, though May 24 minutes note a review. Need updating – see note |
| | Date Financial Regulations last reviewed | May 24 minutes (updated version on website, dated May 25) |
| | Has a Responsible finance officer been appointed with specific duties? | Clerk is RFO |
| | Are payments in the cashbook supported by invoices, authorised and minuted? | Payments matched to bank statements, cashbook and invoices where available. Payees minuted but generally not amount or reason for payment, prior to January 25 |
| | Has VAT on payments been identified, recorded and reclaimed? | Separate column in cashbook. Claim received November 24 |
| | 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? | Not minuted as such – see note |
| Risk management arrangements | Does a review of the minutes identify any unusual financial activity? | New Clerk has found issues with overpayments, duplications, missing invoices etc – working through issues. |
| | Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme? | Financial RA reviewed in May 2024 minutes (though dated 2021 on website). However |

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|-----------------------|--|--|
| | | <p>processes within not all being followed, such as minuting payments.</p> <p>General RA dated 2019.</p> <p>Assets not recorded as being checked.</p> <p>Liability and fidelity cover in place</p> |
| | Is insurance cover appropriate and adequate? | |
| | Are internal financial controls documented and regularly reviewed? | None (Clerk confirmed these are in place as of May 25) |
| Budgetary controls | Has the council prepared an annual budget in support of its precept and has this been minuted as being approved? | <p>2425 – January 24 minutes</p> <p>2526 – January 25 minutes</p> |
| | Has the precept been calculated from the budget and been approved? | <p>24/25 – recorded as £13,500.</p> <p>2526 – recorded as £13,258.00</p> |
| | Does the budget include an actual completed year? | Yes |
| | Is actual expenditure against budget regularly reported to the council? | No (only in January and March 25 minutes) |
| | 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? | <p>Statement £13,500</p> <p>Remittance £13,500</p> |
| 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? | Yes, contract seen |

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|---------------------|--|---|
| | Do salaries paid agree with those approved by the council? | Yes |
| | Are salaries above the National Living Wage/Minimum Wage? | Yes National pay award implemented November |
| | Are other payments to employees reasonable and approved by the council? | Yes |
| | Have PAYE/NIC been properly operated by the council as an employer? | Yes, P60 and P45 supplied. |
| 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? | Council last reviewed March 23 – see note |
| Bank reconciliation | Do asset insurance valuations agree with those in the asset register? | Yes |
| | 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? | Reported in majority of minutes as being completed. Balances not always recorded. |
| | Are there any unexplained balancing entries in any reconciliation? | No |
| | Is the value of investments held summarised on the reconciliation? | N/A |
| Year-end procedures | 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 – £34,452 Statements -£34,451.94 (see note) |
| | Has a year-end bank reconciliation been undertaken? | Reconciliation - £34,451.94 |
| | Is there an audit trail from underlying financial records to the accounts? | Yes, cashbook matched to bank statements |
| | Where appropriate, have debtors and creditors been properly recorded? | N/A |

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|--|---|-----------------------|
| Procedural | 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? | None raised |
| 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? | No – see note |
| | Electors' rights advertised on website? | No – see note |
| | 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) | No (no land owned) |
| Burial Authorities only | Are fees levied in accordance with the Council's approved scale of fees and charges? | N/A |
| | Have fees for the cemetery been reviewed and agreed by Council? | N/A |
| | Have burial books been kept up to date and are they safely stored? | N/A |
| Allotments only | Has a list of allotment holders with amounts paid to Council been submitted? | N/A |
| | Have fees for the allotments been reviewed and agreed by Council? | N/A |
| Councils with charities only | Have Charities reported and accounted separately? | Two years out of date |

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|-------------------------------------|--|--|
| | Has the Council been named as Sole Trustee on the Charity Commission Register? | Yes |
| | Are the Charity meetings and accounts recorded separately from those of the Council? | Yes |
| ICO | Is Council registered with the Information Commissioners Office? | Yes, January bank statement |
| General Data Protection Regulations | Has the Council adopted a Data Protection Policy? | No – see note |
| | Has the Council put in place Privacy Notices? | Yes (contact details within need updating) |
| Other | | N/A |

Thank you to Lolly for supplying all documents and responding to queries promptly.

Explanations for “no” responses.

Assertion C of the internal report states: “This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these”. Whilst you do have insurance in place and minuted a review of your financial risk assessment, unfortunately you did not review general risk assessments in the financial year and therefore I have had to tick no to the statement.

Assertion M. “The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations”. The public rights information has not been published on your website. Nor can the Clerk find any record of a form. Therefore I have had to tick no to the statement.

Assertion L.” The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with the relevant legislation”. You are required to publish certain information on your website under the Transparency Code, including payments, to allow parishioners to understand how precept is being used. This was not started until the January 25 minutes and does not meet Transparency Code requirements.

Assertion O. “Trust funds (including charitable) - the Council met its responsibilities as a trustee”. Your accounts have not been filed for the past two years. I have therefore had to tick no to the statement.

General notes.

Email address – the JPAG Practitioners Guide states that “All Parish, Town and Community Councils are eligible to use, and are advised to use, a .gov.uk domain for their websites and email communications. Your community, suppliers and partners will now reasonably expect a local council to have a .gov.uk domain name”. This is advice rather than a requirement, so I flag it for information only.

TSB have been unable to supply a bank statement from 2-31 March 25. The amount therefore entered in the reconciliation as the year-end figure is from the May 25 statement, which includes interest not on the March statement in hand. I have signed the year-end figures off including this interest as there is no other way of obtaining a year-end figure.

Payments – as mentioned above, payments (amount and reason for expenditure as well as supplier) should be published within minutes. In addition Council should minute bank reconciliations and balances at each meeting and receive budget monitoring reports at least quarterly. There is no mention within the minutes of Council checking invoices before agreeing payments, and indeed the new Clerk cannot find invoices for a large number of the payments, meaning there is no full audit trail for spending public money. These are important parts of financial management which will give Council a full oversight of finances at each meeting.

Standing orders have been significantly re-written since yours were last properly reviewed. These should be updated during the coming financial year.

Confirmation of items on your asset list, and formal checks of these items, should be completed at least annually as part of your annual risk assessments. The register appears up to date but this does need to be minuted annually.

Budget setting – When setting the budget and precept it is best practice to include the Band D rate within the minutes also so that parishioners clearly have this information.

Data Protection Policy –there is no overall General Data Protection Policy in place which has been a requirement for some years. This should be considered as soon as possible.

When using S137 for payments, the payment should clearly be identified within the meeting minutes as using this power. This will confirm that Councillors are collectively expressing an opinion as to the commensurate local benefit of the expenditure.

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Sonya Blythe
Internal auditor