Internal Audit Report

For Old Buckenham Parish Council

Financial Year 25/26

Internal Auditor: Mrs Lolly Cracknell

13th April 2025

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I have completed an internal audit of the accounts for Old Buckenham Parish Council for the year ending 31st March 2026.

My findings are detailed below using the tests provided in the **Governance and Accountability (England) March 2025.**

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, up to date and arithmetically correct?	Yes
	Are payments and receipts regularly reported to Council?	Yes – minutes checked and payments and receipts included with Gross figures.
	Is the cashbook regularly balanced to the bank? Is this reported to Council?	Monthly balances carried out. Not reported to Council or minuted.
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and when were they last reviewed?	Approved September 2025
	Has the council formally adopted Financial Regulations and when were they last reviewed?	Approved September 2025
	If applicable, was the review of these documents minuted?	Yes
	Has a Responsible Financial Officer been appointed with specific duties?	Staffing structure amended. No longer a separate RFO.
	Have Financial Regulations been followed in respect of purchases?	Yes
	Are payments in the cashbook supported by purchase orders / invoices?	Yes
	Has VAT on payments been identified, recorded and reclaimed?	Reclaim submitted 8/9/25 for period 1/12/23 – 30/11/24. 1/12/24 to 31/3/26 needs submitting. The VAT on all invoices is not being recorded on the cashbook.

Internal control	Test	Observations
	Has s137 expenditure been approved and separately recorded and within statutory limits? (where applicable)	None spent – no budget line
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?	Financial Risk Assessment approved September 2025 and minuted, also includes general risks.
	Are risks assessed using the Risk Matrix? (refer G & A)	Yes
	Is insurance cover appropriate and adequate?	Cope of insurance not available.
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	January 2026 Budget 26/27 considered. Precept Figure not minuted / approved. January 2025 – Item for Precept in minutes, draft Precept approved but no figure minuted or budget published.
	Has the precept been calculated from the budget and been approved?	2025/2026 budget not available on website. No precept calculations available in cashbook or on website.
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the council?	No evidence of budget expenditure report being taken to Council or any

Internal control	Test	Observations
		copies of budget expenditure comparison reports filed within the year. Live budget monitoring report is available in cashbook.
	Are there any significant unexplained variances from budget?	No
Income controls	Is income properly recorded, reported to Council 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?	N/A
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
	Do salaries paid agree with those approved by the council?	Yes
	Are salaries above the National Living Wage/Minimum Wage?	Yes
	Are other payments to employees reasonable and approved by the council?	Expenses are incorrectly being included in payroll.

Internal control	Test	Observations
	Have PAYE/NIC been properly operated by the council as an employer?	Errors in historical PAYE/NIC payments appear to have been resolved.
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?	Asset register reviewed March 2026 – not minuted.
	Do asset insurance valuations agree with those in the asset register?	No.
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	No bank reconciliations reported in minutes.
	Is a bank reconciliation carried out regularly and in a timely fashion?	Monthly reconciliations available on spreadsheet.
	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)?	Moved to Receipts and Payments (last year income & expenditure)
	Do accounts agree with the cash book and has a year-end bank reconciliation been undertaken?	Yes
	Is there a detailed explanation for variations in AGAR Financial Statement?	Yes

Internal control	Test	Observations
	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?	No internal audit report completed in 24/25
	Where applicable, has the Report received from External Audit been presented to the Council?	Not available - incomplete
Transparency: For smaller councils with turnover under £25,000 – NOT APPLICABLE.	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes
	Payments over £100 / £500 (as appropriate) detailed on website?	Available in minutes.
	Electors' rights advertised on website?	No – informed it was displayed on village noticeboard.
	Councillors' responsibilities detailed on website?	n/a
	Last financial year's AGAR on website?	No
	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	No
Allotments only	Has a list of allotment holders with amounts paid to Council been submitted?	No – no allotment receipts

Internal control	Test	Observations
	Have fees for the allotments been reviewed and agreed by Council?	No
	Are tenancy documents detailed as required by statute?	Unknown
General Data Protection Regulation (compliance from 25 May 2018)	Has the Council put in place a Privacy Notice and a DP Policy? Is it on the website?	Yes & Yes Yes
FOI Publication Scheme	Is there an FOI Publication Scheme? Is it on the website? Is it updated?	Yes Yes Not dated.

Summary of recommendations to Council

Spend against the budget was not regularly monitored. Recommendation to action and report to Council the various controls stated within the Internal Controls Policy and Financial Risk Assessment.

I am informed the public rights was published on the noticeboard, it is best practise to also publish this on the Council's website. All budgets & AGAR documents should also be published.

VAT Reclaim needs to be completed, and all suitable VAT invoices to be included.

Council purchases to be refunded to the Clerk should be done so directly and not via the payroll.

Asset Register to be reviewed by Full Council and minuted, and checked against insurance schedule.

Name of Internal Auditor. Lolly Cracknell.

Date. 14/04/2026