

# **Ashby St Mary Parish Council**

Internal Audit Report

Financial Year 2024-25

Prepared by Lorraine Trueman, 2 May 2025

I have completed an internal audit of the accounts for Ashby St Mary Parish Council for the year ending 31 March 2025. My findings are detailed below using the tests provided in the Governance and Accountability (England) 2021.

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 and reported to council
	If bank balances are in excess of £100,000 is there an appropriate investment strategy?	n/a
Standing Orders, Financial Regulations and payment controls	Has the Council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed. Is this based on the latest version of Standing Orders?	May 2024, yes
	Date Financial Regulations last reviewed. Is this based on the latest version of Financial Regulations?	May 2024, yes
	Has a Responsible Financial Officer been appointed with specific duties?	Yes
	Have items or services above the de minimus amount been competitively purchased?	n/a
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes
	Is there effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments?	Yes
	Has VAT on payments been identified, recorded and reclaimed?	Yes
	If debit/credit cards are in use, what are the total monthly and individual transaction limits?	n/a

Internal control	Test	Observations
	Are there appropriate controls over physical security and usage of the cards?	
	Is s137 expenditure separately recorded and within statutory limits?	No S137 payments made
	Have s137 payments been approved and included in the minutes as such?	n/a
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?	Yes, May 2024
	Are appropriate arrangements in place, for example, for monitoring play areas, open spaces and sports pitches?	Yes
	Is insurance cover appropriate and adequate for land, buildings, public, employers' and hirers' liability, fidelity/employee/councillors' liability, business interruption and cyber security?	Yes
Budgetary controls	Are internal financial controls documented and regularly reviewed?	Yes
	Has the Council prepared an annual budget in support of its precept and has this been minuted at a Full Council meeting as being approved?	Yes
	Has the precept been calculated from the budget and been approved?	Yes
	Does the budget include an actual completed year?	Yes
	Is actual expenditure against budget regularly reported to the Council?	Yes
	Are there any significant unexplained variances from budget?	No, all variances are explained
	Has the Council considered the establishment of specific earmarked reserves and reviewed them?	Reserves policy in place

Internal control	Test	Observations
Income controls	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Yes
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?	Yes
	Have PAYE/NIC been properly operated by the Council as an employer?	Yes, bureau used
Asset controls	Does the Council maintain a register of all material assets owned or in its care?	Yes
	Is the assets register up to date? When was this last reviewed? Are additions and disposals in-year clear?	Yes, updated Feb 2025
	Do asset insurance valuations agree with those in the asset register?	Yes
	Does the asset value to be reported in the AGAR (section 2, Box 9) equate to the prior year reported value, adjusted for the nominal value of any new acquisitions and/or disposals?	Yes
Bank reconciliation	Is there a bank reconciliation for each account and is this regularly reported to Council?	Yes

Internal control	Test	Observations
Year-end procedures	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	Yes
	Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Receipts and payments
	Do accounts agree with the cashbook?	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?	n/a
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?	Points have been considered and action is ongoing
	Has the Council demonstrated that during the previous financial year it correctly provided for the exercise of public rights, as required by the Accounts and Audit Regulations? [Full publication requirements are detailed on page 1 of the AGAR.]	The clerk has produced the notice of public rights but due to the website not currently being available it is not possible to check if this was published
	Exemption from external audit: Only for smaller councils with receipts and payments each totalling less than £25,000	Council agreed exemption in May 2024 as it met the criteria. Due to the website being unavailable it is not possible to confirm the requirements were published on the website as required.
	Adherence to the Transparency Code: Only for smaller councils	Website not available
	Agendas for whole year on website?	Website not available

Internal control	Test	Observations
with receipts and payments each totalling less than £25,000	Payments over £100 detailed on website?	Website not available
	Electors' rights advertised on website?	Website not available
	Councillors' responsibilities detailed on website?	Website not available
	Last financial year's AGAR on website?	Website not available
	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	Website not available
General Data Protection Regulation (compliance from 25 May 2018)	Has the Council carried out an information audit?	Yes, July 2024
	Has the Council put in place a privacy notice and policy?	Website not available
Website accessibility (relates to the Public Sector Bodies (Websites and Mobile Applications) Accessibility Regulations 2018)	It is a legal requirement for councils to publish a website accessibility statement on its website. Has the Council published this statement?	Sept 2024 minutes report the website is down due to maintenance. May 2025 the website was not available
	Has the Council updated and reviewed its statement [must be reviewed annually]?	Website not available

### Summary of my recommendations

I would like to thank the clerk who has provided a well-maintained set of accounts and shared additional documents due to the website being unavailable.

The minutes record councillors asking about the council's legal obligations and the clerk responding. For those councillors interested in finding out more, they may want to consider attending additional training aimed at councillors. This will bring a better understanding of the council's legal responsibilities and reduce the risk to the council.

Last year the website saw improvements but this year the website is not available. The Accounts and Audit Regulations 2015, Local Audit (Smaller Authorities) Regulations 2015 and Transparency Code require smaller authorities to publish several documents.