

**Report to Chediston and Linstead Grouped Parish Council**

**The Internal Audit of the Accounts for the year ending 31 March 2025**

**1. Introduction and Summary.**

1.1 The Internal Audit for the 2024/25 year confirmed that the Parish Council maintained effective governance arrangements including a robust framework of financial administration and internal control. This Internal Audit review has confirmed the overall adequacy of the financial arrangements currently in place.

1.2 By examination of the 2024/25 accounts and supporting documentation it was confirmed that the Clerk, in the role as the Council's Responsible Financial Officer (RFO), satisfactorily undertook the administration of the Council's financial affairs and produced financial management information to enable the Council to make well-informed decisions.

1.3 The Accounts for the year 2024/25 display the following:

*Total Receipts for the year: £5,081.97*  
*Total Payments in the year: £5,304.69*  
*Total Reserves at year-end: £5,341.11*

1.4 Sections One and Two of the Annual Governance and Accountability Return (AGAR) were approved by the Council at the meeting held on 19 May 2025. The following figures in Section Two were agreed by the Internal Auditor:

<i>Balances at beginning of year (1 April 2024):</i>	<i>Box 1: £5,564</i>
<i>Annual Precept 2024/25:</i>	<i>Box 2: £3,500</i>
<i>Total Other Receipts:</i>	<i>Box 3: £1,582</i>
<i>Staff Costs:</i>	<i>Box 4: £2,602</i>
<i>Loan interest/capital repayments:</i>	<i>Box 5: nil</i>
<i>All Other payments:</i>	<i>Box 6: £2,703</i>
<i>Balances carried forward (31 March 2025):</i>	<i>Box 7: £5,341</i>
<i>Total cash/short-term investments:</i>	<i>Box 8: £5,341</i>
<i>Total fixed assets:</i>	<i>Box 9: £7,160</i>
<i>Total borrowings:</i>	<i>Box 10: nil</i>

1.5 The Internal Auditor has completed the Annual Internal Audit Report 2024/25 within the AGAR. The following Internal Audit work was carried out on the adequacy of systems of internal control.

**2. Governance, Standing Orders, Financial Regulations and other Regulatory matters (*examination of Standing Orders, Financial Regulations, Code of Conduct, Formal Policies and Procedures, Tenders where relevant. Acting within the legal framework, including Data Protection legislation*).**

2.1 At the Annual General Meeting of the Parish Council on 20 May 2024 the first item of business was the election of a Chair in accordance with the requirements of the Local Government Act 1972.

2.2 On 20 May 2024 the Council also re-confirmed the Clerk, Mrs Kay Gregory, as the Responsible Financial Officer.

2.3 Standing Orders and Financial Regulations are in place and are based on the Model documents published by the National Association of Local Councils (NALC). Both documents were reviewed, updated as necessary and adopted by the Council at its meeting on 16 September 2024. A copy of Standing Orders and Financial Regulations has been published on the Council's website. Revisions to the model documents were published by NALC in March 2025 and these can be considered by the Council at its next review.

2.4 The Minutes of the Council's meetings are well presented and provide evidence of the decisions taken by the Council in the year. Each page of the Minutes is being signed/initialled by the person acting as Chair of the meeting at which the Minutes are approved.

2.5 The Council is registered with the Information Commissioner's Office (ICO) as a Fee Payer/Data Controller for the provision of council services (Registration ZA509545, expiring on 4 April 2026).

2.6 The Council re-adopted a Councillors' Code of Conduct at the meeting held on 20 May 2024.

2.7 The Council has published the One-Suffolk Website Accessibility Statement to demonstrate compliance with the website accessibility regulations. The Statement details what has done to ensure that as many people as possible are able to use the website, any areas of the website that may not be fully accessible or where there would be a disproportionate burden to secure full accessibility, with contact details to report accessibility problems.

**3. Accounting Procedures and Proper Book-keeping (*examination of entries in the Cashbook, regular reconciliations, supporting vouchers, invoices and receipts and VAT accounting*).**

3.1 The Cashbook is maintained in the form of a hand-written ledger and facilitates an audit trail to the Bank Statements and Cheque Book counterfoils and the financial information prepared by the Clerk/RFO. A sample of transactions was examined and found to be in good order with supporting invoices and vouchers in place.

3.2 Payments made under the powers of Section 137 of the Local Government Act 1972 are separately identified in the Cashbook and Receipts and Payments Account.

3.3 VAT payments are separately identified in the Cashbook to assist future claims to HMRC for re-imbursement. Relatively small amounts of VAT are normally paid in the year. The Clerk/RFO reported to Council on 20 May 2024 that a re-claim to HMRC of £343.27 VAT paid for the period to 31 March 2024 had been made; the reimbursement was received at bank on 28 May 2024.

3.4 A Community Infrastructure Levy (CIL) Annual Report for the year ended 31 March 2025 has been prepared by the Clerk/RFO. The Report displays a balance of £1,827.12 brought forward from previous years, £0 CIL Receipts in the year and £381.32 expended in the year as follows:

- Installation of GSM Router (Chediston School Room): £158.16
- Installation of GSM Router and aerial (Linstead Village Hall): £223.16

The CIL balance retained at the year-end was accordingly £1,445.80 and can be recorded in the End of Year Accounts as a Restricted Reserve.

3.5 A Statement of Explanation of Variances (explaining significant differences in receipts and payments between the years 2023/24 and 2024/25) has been prepared by the Clerk/RFO for publication on the Council's website.

#### **4. Bank Reconciliation (*Regularly completed and cash books reconcile with bank statements*).**

4.1 The bank statements as at 31 March 2025 for the Barclays Community (Current) Account (£4,617.28) and the Barclays Business Premium (Savings) Account (£1,278.57) reconciled with the End-of-Year Accounts and agreed with the overall Bank Reconciliation after taking into account the unrepresented cheques of 100687 (£60), 100701 (£381.32) and 100702 (£113.42).

#### **5. Year End procedures (*Regarding accounting procedures used and can be followed through from working papers to final documents. Verifying sample payments and income. Checking creditors and debtors where appropriate*).**

5.1 End of Year accounts are prepared on a Receipts and Payments basis and, following some minor corrections, were confirmed as being in good order.

#### **6. Internal Control and the Management of Risk (*Review by Council of the effectiveness of internal controls, including risk assessment, and Minuted accordingly*).**

6.1 The Council's Risk Assessment documentation was reviewed and approved by the Council at the meeting held on 20 May 2024 (Minute 12 refers). The internal control and risk assessment documents provide an analysis of the risks faced by the Council and the control measures in place to mitigate the risks identified. A level of risk is applied (H, M or L) to each identified risk with an explanation of how the risks are managed and any action taken in this respect by Councillors and the Clerk/RFO.

6.2 The Council accordingly complied with Section 4 of the Accounts and Audit Regulations 2015 which require a review by the Full Council at least once a year of the effectiveness of the Council's system of internal control, including the arrangements for the management of risk, with the review suitably Minuted.

6.3 Insurance was in place for the year of account. The Council approved the renewal premium of £379.53 to CAS Insurance Brokers at its meeting on 16 September 2024. The Policy is provided by Ansvar Insurance and covers the period 1 October 2024 to 30 September 2025. The Employer's Liability cover and Public Liability cover each stand at £10m. The Fidelity (Councillor/Employee Dishonesty) cover stands at £25,000, which meets the current recommended guidelines which provide that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants.

## **7. Transparency Code (Compliance for smaller councils with income/ expenditure under £25,000).**

7.1 Chediston and Linstead Grouped Parish Council is designated as a 'Smaller Council'. The Council's new website is: <https://chedistonandlinstead-pc.gov.uk/>

7.2 Smaller authorities should publish on their website:

- a) All items of expenditure above £100  
Published – Yes
- b) Annual Governance Statement, AGAR Annual Return, Section One:  
Published (2023/24) – Yes
- c) End of year accounts, AGAR Annual Return, Section Two:  
Published (2023/24) – Yes
- d) Annual Internal Audit report within AGAR Annual Return:  
Published (2023/24) – Yes
- e) List of councillor or member responsibilities:  
Published – Yes
- f) Details of public land and building assets:  
Published – No public land or building assets are owned
- g) Minutes, agendas and meeting papers of formal meetings:  
Published – Yes

7.3 The Council is meeting the requirements of the Transparency Code in full.

7.4 The Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015 required the Council to publish a 'Notice of Public Rights and Publication of Annual Governance and Accountability Return (Exempt Authority)'. The Internal Auditor was able to confirm that the document for the year 2023/24 was available on the Council's website.

7.5 The remaining documents required to be published, as listed in the AGAR Page 1 Guidance Notes (Certificate of Exemption, Explanation of Variances and bank reconciliation) were confirmed as being easily accessible on the Council's website.

**8. Budgetary controls (*Verification of the budgetary process with reference to Council Minutes and supporting documents*).**

Precept 2024/25: £3,500 (20 November 2023, Minute 8 refers).

Precept 2025/26: £3,750 (18 November 2024, Minute 7 refers).

8.1 The Precepts were agreed in Full Council and the precept decision and amount have been clearly Minuted. The Clerk/RFO ensures the Council is aware of its responsibilities and commitments and the need for forward planning and adequate reserves. Examination of the accounts and supporting documentation for the year under review confirmed that the Council prepared detailed estimates of the annual budget and of receipts and payments. The Clerk/RFO provides Councillors with have sufficient financial information to make informed decisions.

8.2 Budgetary control procedures are in place. The Quarterly Financial Statement presented to Council at the meeting on 15 July 2024 was examined by the Auditor.

8.3 The Reserves available to the Council at the year-end 31 March 2025 were £5,341.11 of which £1,445.80 were CIL Funds Restricted Reserves. The level of General Reserves (Overall Reserves less Restricted/Earmarked Reserves) was accordingly £3,895.31 and in line with the generally accepted Best Practice position that non-earmarked revenue reserves should usually be at least between three and twelve months of Net Revenue Expenditure/Precept.

8.4 As at 31 March 2025 the Council maintained sufficient reserves and contingency sums to meet, within reason, any unforeseen items of expense that may occur.

**9. Income Controls (*regarding sums received from Precept, Grants, Loans and other income including credit control mechanisms*).**

9.1 The Receipts of £5,081.97 in the year 2024/25 consisted of Precept (£3,500), Locality Grants (£1,220), VAT repayment from HMRC (£343.27) and bank interest (£18.70).

9.2 Income controls were checked and income received and banked cross referenced on a sample basis with the Cashbook and bank statements and all found to be in good order.

**10. Petty Cash (*Associated books and established system in place*).**

10.1 No Petty Cash is held; an expenses system is in place with any expenses incurred reimbursed by payment by cheque.

**11. Payroll Controls (*PAYE and NIC in place; compliant with HMRC procedures; records relating to contracts of employment*).**

11.1 At its meeting on 22 May 2023 the Council agreed the Direct Debit mandate for the salary payments to the Clerk/RFO and confirmed that the salary would increase

with nationally agreed JNC/NALC pay awards. The Clerk/RFO confirmed that the Council is recorded as an employer on HMRC's Real Time Information system.

11.2 The Clerk/RFO confirmed that as at 31 March 2025 she was being paid by Standing Order for 4 working hours per week at a point on the NJC Scale agreed with the Council.

11.3 With regard to the legislative requirements relating to workplace pension schemes, the Council is registered with the Pensions Regulator. A re-declaration of compliance was submitted by the Council to the Pensions Regulator on 4 April 2023 under the Pensions Act 2008. (The re-declaration of compliance confirms to the Pensions Regulator that the Council complies with its duties as an employer and has to be completed every three years).

**12. Assets Controls (*Inspection of asset register and checks on existence of assets; recording of fixed asset valuations; cross checking on insurance cover*).**

12.1 An Asset Register is in place and was reviewed by the Council at its meeting on 20 May 2024.

12.2 The Assets show a total of £7,160 as at 31 March 2025, an increase of £381 over the value of £6,779 at the end of the previous year, 31 March 2024 and reflects the addition of GSM Routers and Aerials at Linstead Village Hall and The Old School Room, Chediston.

12.3 The value as at 31 March 2025 has been correctly entered into Box 9 of the AGAR.

12.4 The Asset Register complies with the current requirements which provide that each asset should be recorded at a consistent valuation, year-on-year. No public land or building assets are owned by the Council.

**13. Internal Financial Controls, Payments Controls and Audit Procedures (*Confirmation that the Council has satisfactory internal financial controls in place for making payments with adequate documentation to support/evidence payments made. Any previous audit recommendations implemented*).**

13.1 The Clerk/RFO provides detailed financial reports to Council meetings. Councillors are provided with information to enable them to make informed financial decisions. Details of payments made are listed within the Minutes of the Council's meetings. Invoices/vouchers were cross checked with the Cashbook and bank statements on a sample basis and were found to be in good order.

13.2 Cheque book counterfoils are being initialled by Signatories in verification of the payment, as required by the Council's Financial Regulations.

13.3 The Internal Audit report for the previous year 2023/24 was dated 14 June 2024 and was reported to Council at its meeting on 15 July 2024. The Report raised no issues of concern.

13.4 The Internal Auditor for the Council on an on-going basis was confirmed by the Council on 20 May 2024.

**14. External Audit (*Recommendations put forward/comments made following the annual review*).**

14.1 An External Audit was not required in the year 2023/24. At its meeting on 20 May 2024 the Council completed the Certificate of Exemption from a Limited Assurance Review alongside the Annual Governance and Accountability Return for 2023/24. The Council noted at its meeting on 16 September 2024 that the External Auditors had confirmed the Council's Exemption.

14.2 Similarly, as the higher of gross income or gross expenditure did not exceed £25,000 in the year of account ending 31 March 2025, the Council is able to certify itself exempt from a Limited Assurance Review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015. Accordingly, at its meeting on 19 May 2025 the Council completed the Certificate of Exemption from a Limited Assurance Review in respect of the year 2024/25.

**15. Additional Comments.**

15.1 I would like to record my appreciation to the Clerk to the Council for her assistance during the course of the audit review.

*Trevor Brown*

**Trevor Brown, CPFA**

**Internal Auditor**

**18 June 2025**