

Internal Audit Report for Great Livermere Parish Council for the period ending 31 March 2025

Clerk	Vicki Gay
RFO (if different)	As above
Chairperson	Andrew Norburn
Precept	£9,365
Income	£9,868
Expenditure	£8,500
General reserves	£10,710
Earmarked reserves	£4,390
Audit type	Annual
Auditor name	Julie Lawes

Introduction

The primary objective of internal audit is to review, appraise and report upon the adequacy of internal control systems operating throughout the council. To achieve this SALC adopt a predominantly systems-based approach to audit.

The council's internal control system comprises the whole network of systems established within the council to provide reasonable assurance that the council's objectives will be achieved, with reference to:

- the effectiveness of operations
- the economic and efficient use of resources
- compliance with applicable policies, procedures, laws, and regulations
- the safeguarding of assets and interests from losses of all kinds, including those arising from fraud, irregularity, and corruption

- the integrity and reliability of information, accounts, and data

Methodology

When conducting the audit, the internal auditor may:

- conduct a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year in order to be able to complete the Annual Internal Audit Report 2024/25 of the Annual Governance and Accountability Return (AGAR)
- review the reliability and integrity of financial information and the means used to identify, measure, classify and report such information
- review the means of safeguarding assets and, as appropriate, verify the existence of such assets
- appraise the economy and efficiency with which resources are employed, identify opportunities to improve performance and recommend solutions to problems
- review the established systems to ensure compliance with those policies, procedures, laws, and regulations which could have a significant impact on operations, and determine whether the council complies
- review the operations and activities to ascertain whether results are consistent with objectives and whether they are being conducted as planned

Section 1 – proper bookkeeping The internal auditor will look at the methods and processes used to manage the council's accounts and in particular that it provides clear data for reporting and monitoring purposes. This includes checking information is accurate, kept up to date, referenced and verified.		
Evidence		<i>Internal auditor commentary</i>
Is the ledger maintained and up to date?	YES	The council uses an excel spreadsheet to record its accounts ensuring the financial transactions of the council are as accurate as reasonably practicable.
Is the ledger on the correct basis in relation to the gross income/expenditure?	YES	Council operates its accounts as payments and receipts.
Is the cash book up to date and regularly verified?	YES	Council follows proper practices in ensuring that its accounting procedure gives an accurate presentation of an authority's true financial position providing clear information to the Council on both a monthly and annual basis.
Is the arithmetic correct?	YES	A number of spot checks were carried out and the functionality of the cashbook was found to be in order.
Additional comments:		
Section 2 – Financial Regulation and Standing Orders The internal auditor will check the date the Council conducted its annual review of both Standing Orders and Financial Regulations and in particular check if these are based on NALC'S latest model which include legislative changes.		
Evidence		<i>Internal auditor commentary</i>
Have Standing Orders been adopted, up to date and reviewed annually?	NO	Council has adopted Standing Orders which are based on the model published by the National Association of Local Councils (2018) and contain the provisions of the Model Councillor Code of Conduct, however have not

		<p>been updated to include the revised procurement thresholds and not reviewed during 2024/2025. These are published on the council website.</p> <p>RECOMMENDATION: Council is aware of the requirement to ensure that the Standing Orders are fully tailored to the council and that in accordance with proper practices they need to be regularly reviewed. Standing Orders should be reviewed annually and updated accordingly.</p> <p>COMMENT: NALC released an updated version of the model standing orders in April 2025. NALC have updated Model Standing Order (England) section 18 to comply with new procurement legislation and ensure consistency with the NALC Model Financial Regulations. The changes are to 18.a.v, 18.c, 18.d, and 18.f. NALC have also updated Model Standing Order (England) section 14 to better reflect Code of Conduct requirements. 14.a, 14.b, and 14.c have been removed. They have also changed the language in the document to gender-neutral terms to align with the Civility and Respect Policy.</p>
Are Financial Regulations up to date and reviewed annually?	NO	<p>Financial Regulations, as seen on the council website were not reviewed during the period under audit and are based on a previous model.</p> <p>RECOMMENDATION: Regulations should be reviewed annually and based on the updated version of the NALC model Financial Regulations as published in March 2025.</p>
Has the Council properly tailored the Financial Regulations?	YES	Financial Regulations are tailored to the council.
Has the Council appointed a Responsible Financial Officer (RFO)? ¹	YES	In accordance with Section 151 of the Local Government Act 1972(d) (financial administration), the Council has appointed a person (the Clerk) to be responsible for the administration of the financial affairs of the relevant authority in accordance with Financial Regulation 1.7.

¹ Section 151 Local Government Act 1972 (d)

Additional comments:

Section 3 – Payment controls

The internal auditor will specifically check bank reconciliation including credit/debit cards and management approval processes and evidence that internal Financial Regulations (FO) are being followed. The internal auditor will examine how regular payments are managed and specifically seek evidence that these have been brought back to the Council for verification purposes especially where the actual payment made differs from the amount previously agreed. VAT should be clearly identified including evidence that claims have been correctly managed. The internal auditor will check if the Council has a clear understanding on eligibility in relation to the General Power of Competence and that s.137 has been correctly applied and managed.

Evidence		Internal auditor commentary
Is there supporting paperwork for payments with appropriate authorisation?	YES	A selection of random payments were cross checked against the cash book, bank statement and invoices and all were found to be recorded in accordance with Proper Practices.
Where applicable, are internet banking transactions properly recorded and approved?	YES	Currently the RFO sets up online payments with a councillor then authorising, after a meeting. At the meetings of the council there is a physical check/comparison of the amount set up with the bank and the invoice. Council are in the process of setting up dual signatories at the bank and moving forward, in addition to this, council will be signing off on the schedule of payments at the meeting to ensure accurate record keeping and transparency.
Is VAT correctly identified, recorded, and claimed within time limits?	YES	No VAT claims were made or received during the period under review. VAT paid during the period under review totalled £470.39 as recorded in the cashbook.

Has the Council adopted the General Power of Competence (GPOC) and is there evidence this is being applied correctly? ²	N/A	The council has not adopted the General Power of Competency.
Are payments under s.137 ³ separately recorded, minuted and is there evidence of direct benefit to electorate?	YES	Council has correctly recorded s137 payments, as detailed in the cashbook evidencing a direct benefit to the electorate and is within the statutory limit.
Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	N/A	Council has no loans.
Additional comments:		

Section 4 – Risk management The internal auditor will expect to find evidence of the management of risks from identification of what those are for each individual Council through to how these will be managed and the controls in place to mitigate these and that these have been approved by the Council.		
Evidence		Internal auditor commentary
Is there evidence of risk assessment documentation?	YES	<p>The risk assessment documentation as published on the council website provides details of the risks associated with the functioning of a smaller authority and the measures that the council will undertake to mitigate such risks.</p> <p>Council did not review its Risk Assessment during 2024/2025, but advised this was completed 21st May 2025.</p> <p>RECOMMENDATION: Council should review its Risk Assessment at least annually.</p>

² Localism Act

³ Section 137 of the Local Government Act 1972 ("the 1972 Act") enables local councils to spend a limited amount of money for purposes for which they have no other specific statutory expenditure. The basic power is for a local council to spend money (subject to the statutory limit – of £10.81 per elector) on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitants.

<i>Is there evidence that risks are being identified and managed?</i>	YES	Council is aware that risk assessment needs to focus on the safety of the parish council's assets, and particularly its money. There is evidence council has taken action to identify and assess those risks carrying out regular financial reviews.
<i>Does the Council have appropriate and adequate insurance cover in place for employment, public liability and fidelity guarantee and has been reviewed on an annual basis?</i>	YES	Council has insurance in place under a specialist policy for local councils with Zurich Municipal which shows core cover for the following: Public liability: £12m; Employers Liability £10m and Fidelity Guarantee of £250k. This was documented as approved by council at a meeting held 15 th May 2024. Council has followed recommended guidance by ensuring that its Fidelity Cover is equal to at least the sum of the year-end balances plus 50% of the precept/grants to be received in the following April.
<i>Evidence that internal controls are documented and regularly reviewed⁴</i>	YES	In accordance with Regulation 6 of the Accounts and Audit Regulations 2015, council has confirmed that the financial and management systems of the council were sound and adequate and internal control arrangements were efficient and effective to address the risks associated with the management of public finances as evidenced on the Internal Control document published on the council website dated 10 th February 2025.
<i>Evidence that a review of the effectiveness of internal audit was conducted during the year, including consideration of the independence and competence of the internal auditor prior to their appointment⁵</i>	NO	RECOMMENDATION: In accordance with the Accounts and Audit Regulations 2015, the Parish Council should look to formally review the scope and effectiveness of its internal audit arrangements.
Additional comments:		

⁴ Accounts and Audit Regulations

⁵ Practitioners Guide

Section 5 – Budgetary controls		
The internal auditor will seek verification that budgets are properly prepared, agreed and monitored. In particular they will look for evidence of good practice in that the key stages of the budgetary process have been followed		
Evidence		Internal auditor commentary
<i>Verify that budget has been properly prepared and agreed</i>	YES	The budget for the year 2024/2025 was discussed and approved at the Council meeting held 15 th November 2023 and further confirmed at a meeting held 17 th January 2024.
<i>Verify that the precept amount has been agreed in full Council and clearly minuted</i>	YES	The precept was set at £9,365 for 2024/2025, as confirmed at the above meetings, with the paperwork demonstrating that this was a 11.98% increase over that set the previous year.
<i>Regular reporting of expenditure and variances from budget</i>	YES	The minutes evidence that council carried out regular reviews covering the budget for the current year with a review of payments and receipts against budget.
<i>Reserves held – general and earmarked⁶</i>	YES	The Council, as at year-end, had Earmarked Reserves totalling £4,390 with the balance being General Reserves of £10,710.
Additional comments:		

⁶ In accordance with proper practices, the generally accepted minimum level of a Smaller Authority's General Reserve is that this should be maintained at between three (3) and twelve (12) months of Net Revenue Expenditure

Section 6 – income controls		
The internal auditor will seek evidence to ensure income is correct managed – recorded, banked, and reported and test mechanisms used to achieve this.		
Evidence		Internal auditor commentary
Is income properly recorded and promptly banked?	YES	Income is recorded in accordance with Council's Financial Regulations. A number of items of income were cross checked against cash book and bank statement and found to be in order and recorded in accordance with Proper Practices.
Is income reported to full council?	YES	In accordance with the Council's Standing Orders, income received is reported to full Council within the financial reports.
Does the precept recorded agree to the Council Tax Authority's notification?	YES	Council received precept in the sum of £9,365 from West Suffolk Council for the period under review as reported to full Council within its Financial Reports. Evidence was provided showing a full audit trail from Precept being discussed and approved to being served on the Charging Authority to remittance advice showing the Precept to be paid and receipt of same in the Council's Bank Account.
If appropriate, are CIL reporting schedules in accordance with the Regulations? ⁷	N/A	Council does not hold CIL funds.
Is CIL income reported to the council?	N/A	
Does unspent CIL income form part of earmarked reserves?	N/A	
Has an annual report been produced?	N/A	
Has it been published on the authority's website?	N/A	
Additional comments:		

⁷ Community Infrastructure Levy Regulations 2010

Section 7 – petty cash		
The Internal Auditor will seek evidence that the Council has followed its own policies, procedures, and verification processes and that these are up to date.		
Evidence		Internal auditor commentary
<i>Is petty cash in operation?</i>	<i>N/A</i>	Council does not operate a petty cash system.
<i>If appropriate, is there an adequate control system in place?</i>	<i>N/A</i>	
Additional comments:		

Section 8 – Payroll controls		
The Internal Auditor will check salaries were approved in accordance with PAYE, NI, Pension and that there is a clear understanding that the clerk is not self-employed. The Internal Auditor will also review how payroll is managed including evidence of approval of payslips.		
Evidence		Internal auditor commentary
<i>Do all employees have contracts of employment?</i>	YES	Council had 1 employee on its payroll at the period end 31 st March 2025. Employment contracts were not reviewed during the internal audit but the Clerk to the Council has confirmed a Contract of Employment is in place.
<i>Has the Council approved salary paid?</i>	YES	
<i>Minimum wage paid?</i>	N/A	
<i>Are arrangements in place for authorising of the payroll and payments to the council? Does this include a verification process for agreeing rates of pay to be applied?</i>	YES	Salary has been approved by council. No employee is paid the national minimum wage.
<i>Do salary payments include deductions for PAYE/NIC? Is PAYE/NIC paid promptly to HMRC?</i>	YES	There are suitable payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under legislation.
<i>Is there evidence that the Council is aware of its pension responsibilities? Are pension payments in operation?⁸</i>	YES	The payroll function for the year under review is operated in accordance with HM Revenue and Customs guidelines. Cross-checks were completed on three payments covering salary and PAYE were found to be in order. Deductions paid to HM Revenue and Customs during the year under review were made in accordance with timescales as set out in the regulations.
<i>Have pension re-declaration duties been carried out</i>	YES	Council is aware of its pension responsibilities and payments are made in accordance with timescales agreed with the Council's Pension Provider.
		Council confirmed within the minutes of the meeting held March 2023 that a re-declaration to the Pension Regulator had been made.

⁸ The Pension Regulator – [website click here](#)

Are there any other payments (e.g.: expenses) and are these reasonable and approved by the Council?	YES	There is a satisfactory expense system in place and all staff expenses claimed are approved in accordance with Council's Financial Regulations.
Additional comments:		

Section 9 – Asset control The Internal Audit will be seeking to establish if there is a list of assets in accordance with proper practices including the date of acquisition, location, and value. This extends to checking policies (with evidence of review) and that the Council has applied the documented approach in practice. The Internal Auditor will check not only valuation processes but the existence of reserve budgets for depreciation and adequacy of insurance. A clear audit trail should be available when items are purchased including minutes to evidence approval.		
Evidence		Internal auditor commentary
Does the Council maintain a register of material assets it owns and manage this in accordance with proper practices? ⁹	YES	The Asset Register reflects those items listed under insurance and within the Parish Council's remit for maintenance and ownership. It is noted that the declared value for all assets at year-end 31 st March 2025 is £38,242 which reflects no movement in the asset register from the previous year. As this was a remote audit records of deeds, articles and land registry documents were not viewed. As this was a remote audit licences / leases for assets sited at a third party property were not viewed.
Is the value of the assets included? (Note value for insurance purposes may differ)	YES	
Are records of deeds, articles, land registry title number available?	N/A	
Are copies of licences or leases available for assets sited at third party property?	N/A	
Is the asset register up to date and reviewed annually?	YES	The asset register was reviewed in the year under review with the values submitted on the Draft Annual Governance and Accountability Return for

⁹ Practitioners Guide

		Internal Audit show an asset value of £38,242 which agrees with that detailed in the Asset Register. RECOMMENDATION: Council Asset Register as published on the website is dated 2025. Council needs to evidence that it has reviewed its asset register at least annually to ensure an up to date record is held.
<i>Cross checking of insurance cover</i>	YES	The adequacy of the insurance cover was agreed at a meeting held 15 th May 2024.
Additional comments:		

Section 10 – bank reconciliation The internal auditor will seek to establish that the Council understands and can evidence good practice and internal control mechanisms in relation to bank reconciliation.		
Evidence		Internal auditor commentary
<i>Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?</i>	YES	Bank reconciliations are completed on a regular basis and reconcile with the cash sheets.
<i>Do bank balances agree with bank statements?</i>	YES	Bank balances agree with period end statements and, as at year end 31 st March 2025 the balance across the council's account stood at £15,098.29 with £7.00 unreconciled payments totalling £15,091.29.
<i>Is there regular reporting of bank balances at Council meetings?</i>	YES	Bank balances are reported within the bank reconciliations. The Council is aware that in accordance with proper practices, the bank reconciliation is a key tool for management as it assists with the regular monitoring of cash flows and therefore aids decision-making.

Section 11 – year end procedures		
Evidence		Internal auditor commentary
Are appropriate accounting procedures used?	YES	Accounts are produced on a receipts and payments basis and all found to be in order.
Financial trail from records to presented accounts	YES	There is a full audit trail from records to presented accounts.
Has the appropriate end of year AGAR ¹⁰ documents been completed?	YES	As Council is a smaller authority with gross income and expenditure not exceeding £25,000 it will be required to complete Form 2 of the AGAR.
Did the Council meet the exemption criteria and correctly declared itself exempt?	YES	As the Council was a smaller authority with a gross income and expenditure not exceeding £25,000 for the period under review, it was able to certify itself as an exempt authority which was confirmed at a meeting of the Council on 15 th May 2024.
During the period in question did the small authority demonstrate that it correctly provided for the exercise of public right as required by the Accounts and Audit Regulations 2015?	YES	During the review of the publication requirements of the Accounts and Audit Regulations 2015, it is noted that, for the year 2023-2024, the Council correctly provided for the exercise of elector's rights. The RFO had set the dates for the inspection of the Council's accounts and associated documents as Monday 3 rd June to Friday 12 th July 2024 with the date of the notice being 29 th April 2024.
Have the publication requirements been met in accordance with the Regulations? ¹¹	YES	In accordance with the Accounts and Audit Regulations 2015 as a smaller authority with income and expenditure not exceeding £25,000 council published the following on a public website:

¹⁰ Annual Governance & Accountability Return (AGAR)

¹¹ Accounts and Audit Regulations 2015

	<ul style="list-style-type: none">• Certificate of Exemption, page 3• Annual Internal Audit Report 2023/24, page 4• Section 1 – Annual Governance Statement 2023/24, page 5• Section 2 – Accounting Statements 2023/24, page 6• Analysis of variances• Bank reconciliation• Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.
Additional comments:	

Section 12 – internal audit		
The internal auditor will revisit weaknesses and recommendations previously identified to see if these have been addressed. They will also check if any changes introduced require further verification to ensure effectiveness of the corrective action taken.		
Evidence		Internal auditor commentary
Has the Council considered the previous internal audit report?	YES	The Internal Audit Report for the period ending 31 st March 2024 was formally considered by council at a meeting held 15 th May 2024.
Has appropriate action been taken regarding the recommendations raised?	NO	The council was advised to update the procurement thresholds within its Financial Regulations and Standing Orders, however these were not reviewed during 2024/2025.
Has the Council confirmed the appointment of an internal auditor?	YES	SALC were appointed as the Council's internal auditors for the year ending 31 st March 2025 at the meeting of 19 th March 2025.
Has the letter of engagement been approved by full council?	NO	Council has not approved the letter of engagement.
Additional comments:		

Section 13 – external audit for the period under review		
The internal auditor will revisit the external audit so that previous weaknesses and recommendations can be considered.		
Evidence		Internal auditor commentary
Has the Council considered the previous external audit report? ¹²	N/A	Council was exempt from a limited assurance review
Has appropriate action been taken regarding the comments raised?	N/A	As above
Additional comments:		

¹² Regulation 20 Accounts and Audit Regulations 2015 – following completion of an audit the Council should note that it is the Council as a whole (i.e., All members) and not a committee that should receive and consider the audit letter (including Annual Return and Certificate) from the local auditor as soon as reasonably practicable and the minutes should reflect that these have been received.

Section 14 – additional information		
The internal auditor will look for additional evidence of good record keeping, compliance with data protection regulations, freedom of information and website accessibility regulations.		
Evidence		Internal auditor commentary
Was the annual meeting held in accordance with legislation? ¹³	YES	The Annual Meeting of the Parish Council was held on 15 th May 2024 and the first item on the agenda was the election of Chairperson.
Is there evidence that Minutes are administered in accordance with legislation? ¹⁴	YES	Council is aware that that under LGA 1972 schedule 12, paragraphs 41(1) and 44 the draft minutes of a meeting should be formally approved (with any necessary amendments) at the next meeting.
Is there a list of members' interests held?	YES	Evidence was seen on the West Suffolk Council website of the Register of Interests for all current Parish Councillors with a direct link from the Council's own website.
Does the Council have any Trustee responsibilities and if so, are these clearly identified in a Trust Document?	N/A	Council does not have any Trustee Responsibilities.
Has the Transparency Code been correctly applied, and information published in accordance with current legislation?	YES	To ensure compliance with the requirements of the Transparency Code for smaller authorities (turnover not exceeding £25,000), Council is aware that the following should be published on a public website: Internal Audit Report List of Councillors and Responsibilities Items of Expenditure Above £100 including recoverable and non-recoverable VAT End of Year Accounts Annual Governance Statement Asset Register

¹³ The Local Government Act 1972 Schedule 12, paragraph 7 (2) and Schedule 15 (2)

¹⁴ Public Bodies (Admission to Meetings) Act 1960, Local Government Act 1972, and the Localism Act 2011

		and that Agendas of Meetings; Associated Papers and Minutes should be published in accordance with the prescribed timescales as set out in the Transparency code for smaller authorities – December 2014.
<i>Has the Council registered with the Information Commissioner's Office (ICO)?¹⁵</i>	YES	The Council is correctly registered with the Information Commissioner's Office (ICO) as a Data Controller in accordance with the Data Protection Legislation.
<i>Is the Council compliant with the General Data Protection Regulation requirements?</i>	YES	Council has a General Privacy Notice published on its website.
<i>Has the Council published a website accessibility statement on their website in line with Regulations?¹⁶</i>	YES	Council has accessibility tools on its website thereby allowing for the increased functionality of the council's website, along with a website accessibility statement.
<i>Does the council have official email addresses for correspondence?¹⁷</i>	YES	Council operates with a .gov.uk email address for the Clerk, thereby complying with GDPR and demonstrating that the council has an official status thereby building trust, credibility and authenticity.
<i>Is there evidence that electronic files are backed up?</i>	YES	Council uses a system whereby a back-up of the council's data is taken and stored on the cloud.
<i>Do terms of reference exist for all committees and is there evidence these are regularly reviewed?</i>	N/A	Council does not operate with a committee system.
Additional comments:		

Signed: J. Lawes

¹⁵ Data Protection Act 2018

¹⁶ Website Accessibility Regulations 2018

¹⁷ Practitioners Guide

SALC Internal Audit Report template (v.9)
Last reviewed: 26th January 2025

Date of Internal Audit Report: 10th June 2025

On behalf of Suffolk Association of Local Councils

