

WICKHAM ST PAUL PARISH COUNCIL INTERNAL AUDIT 2024/25

A Proper Bookkeeping

- Is the cash book maintained and up to date?
Yes. Excel spreadsheet with several worksheets is maintained and updated each month. The separate worksheets for payments and receipts have columns to analyse the transactions by type. Totals are used to create the actual v budget comparison (Average Spend Worksheet) through the year. Worksheets entitled SOFA, Year End Rec and Annual Return use formulae to take figures from the Payments and Receipts tabs to create the year end accounts. The VAT reclaim tab is a control on payments column AA and is used to formulate the annual VAT claim.
- Is the cash book arithmetic correct?
Formulae are in place to control the cross-cast totals
- Is the cash book regularly balanced?
The formulae ensure that the cash book balances.

B Financial Regulations, Standing Orders and Payment Controls

- Has the council formally adopted standing orders, financial regulations and a Publications Scheme?
Yes. Standing Orders, Financial Regulations and Publications Scheme were adopted at the meeting 28 May 2024 (minute 24/052).
- Are other policies in place?
Yes. The suite of policy documents were adopted at the meeting on 28 May 2024 (minute 24/052) and an additional policy on 26 November 2024 (minute 24/121). Policies are on the Wickham St Paul PC website. [Policies & Procedures – Wickham St. Pauls Parish Council \(wickhamstpaulsparishcouncil.org\)](https://www.wickhamstpaulsparishcouncil.org)
- Has a Responsible Financial Officer been appointed with specified duties?
Yes. The clerk is also the RFO: this is specified in the job title and description of responsibilities. The council confirmed the clerk as its RFO at the meeting 28 May 2024 (minute 24/050).
- Have items or services above a de minimis amount been competitively purchased?
Financial Regulation 6.15 specify clerk, under delegated authority, can approve up to £500 (ex VAT) and up to £1000 (ex VAT) with the chair. FR 6.18 allows clerk to approve up to £2000 (ex VAT) in situations of serious risk. FR 6.6 requires tenders (following process in App 1) for spend estimated over £60,000 (inc VAT). This differs from SO 18a v which requires a tender process for expected spend over £25,000 (presumed ex VAT). £25k ex VAT is the same as £30k inc VAT, which is the threshold for use of Contract Finder (Public Contracts Regulations 2015) as set out in FR 6.7 and SO 18c. FR 6.8 requires 3 fixed price quotes for contracts between £3,000 (ex VAT) and £60,000 (inc VAT), and FR 6.9 requires 3 estimates for contracts between £1000 and £3,000 (ex VAT). [The mixture of thresholds including and excluding VAT is confusing, and the thresholds in FR and SO are inconsistent with each other. When new model SO are adopted, there is an opportunity to bring the tender thresholds into alignment.](#)

Minutes include discussions about expenditure for some items: xmas tree (24/077), Laptop within budget (24/094), manhole covers (24/102), oak posts (25/014). All payments in the year are for less than £3000 which is the limit for estimates in FR 6.9.

- Are payments in the cash book supported by invoices, authorised and minuted? *Financial Matters item in each month's minutes includes list of payments for approval and a monthly budget statement which is received and noted. The list shows the payee, reference of Cheque/DD/SO and amount (including VAT). Invoices are validated on receipt by the clerk and entered into the payments worksheet. The amount is added to the list of payments on the agenda, a cheque written and the cheque number marked on the source document. The clerk takes the cheque book, source documents, payments list and actual v budget (Ave Spend worksheet) summary to the meeting. Two signatories place their initials on the payments list, the cheque stub and the source document as authorisation.*
- Has VAT on payments been identified, recorded and reclaimed? *Yes. The unclaimed VAT of £568.74 for 2023/24 was received on 7 May 2024 (minute 24061.3). VAT is recorded in a separate column in the 'payments worksheet'. Items are cut and pasted into the VAT reclaim tab where Suppliers VAT number is added. Total VAT on payments in 2024/25 (per payments column AA) is £734.61 which will be reclaimed in 2025/26.*
- Is s137 expenditure separately recorded and within statutory limits? *The council adopted the General Power of Competence at its meeting on 28 May 2024 (minute 24/047).*

C Risk Management

- Does a scan of the minutes identify any unusual activity? *Vacancy and co-option (minutes 24/041); WSP Consolidated Trust (minutes 24/078, 25/012), Fireworks Event (minute 24/076, 24/093), Xmas Lights Event (minute 24/077, 24/093), Bronze level award scheme (minute 24/122).*
- Do the minutes record the council carrying out a risk assessment? *Yes. Strategic Risk Assessment together with risk assessments for fireworks, Litter picking and COVID risk assessments, and a H&S statement approved at Meeting 28 May 2024 (minute 24/052). Additional risk assessments for dog show and harvest festival agreed at the meeting 24 September 2024 (minute 24/093).*
- Is insurance cover appropriate and adequate? *Yes. First year of a 3-year policy with Zurich renewal 1 June 2024 to 31 May 2027 (minute 24/048). Cover for All risks Property Damage, Money, public liability, employers' liability, libel and slander, fidelity guarantee, personal accident and legal expenses. An email was sent to Zurich on 22nd April 2024, attaching the risk assessment for the event asking for confirmation that the new policy quote would cover the event. The reply was inconclusive and I can't see an endorsement on the policy for management of events. *To be totally 'belt and braces' I would recommend getting something in writing from the insurer for the Trafalgar Night Fireworks Event as part of the insurance renewal this year.**
- Are internal financial controls documented and regularly reviewed? *Payment of invoices – Cheque book stubs and source documents are initialled as evidence of scrutiny. Very processes*
Bank mandate and authority – Bank signatories confirmed at the meeting on 28 May 2024 (minute 24/045). An additional signatory added at the meeting on 24

September 2024 (minute 24/099.3). The clerk a signatory to enable access to view the account but because cheques are still used, the clerk is never in the position of releasing funds from the bank account.

Review of bank recs and evidence of scrutiny against the bank statements –

Bank reconciliations appear on the same sheet as the schedule of payments and are initialled by 2 councillors at each meeting. *Note the specific requirement of Financial Regulation 2.7 regarding signing both the reconciliation and the bank statement at least quarterly.*

Monitoring of actual v budget – The council receives monthly budget statements to compare actual against budget which are minuted as noted at bi-monthly meetings.

Internal controls over salary payments – payroll is outsourced which effectively is the added layer of control regarding calculations of pay changes and backpay.

Councillor authority is needed to amend the monthly pay Standing Order.

Cash handling – The only cash handled is a £1 donation for the old laptop and the banking from the Firework Event. It is not a ticketed event but collection buckets are used for donations. A councillor counts it and hands the bagged cash to the clerk for banking. *It would be useful to have something in the risk assessment about cash collections and counting cash, more for reputational risk mitigation than anything else.*

Collection of all funds due to the council – Activity report and invoice submitted to BDC for the street scene contract.

Project management and Safeguarding assets – minutes include a matters arising / update item to ensure actions are followed through. Defibs are inspected by the chair and sent to Webnos. Play area and other assets are inspected by 2 councillors (now that the handyman has been made redundant). *I would advise councillors to consider how the day to day play area inspections are evidenced as this would be needed in the event of an insurance claim. The records can be paper tick sheets that are filed, or an App like Safety Culture can be used.*

- Are all risks identified and actions undertaken to mitigate risks?

The strategic risk register has columns for risk level, description of the identified risk, and management of risk and actions taken. The assessment is comprehensive in scope. *I am advised that the actions are being undertaken but, as mentioned above, it is important that such actions are documented, for example, number 4 'council does an annual inspection of its property' and number 14 'seats and shelters inspected regularly' and 'weekly inspections of the play area, reporting anything that needs repairing'. The minutes include confirmation of some actions being undertaken e.g., ROSPA inspection (minute 24/075) and tree survey item and initial risk assessment (minute 24/111).*

I note that the Chapel Yard was cut by a volunteer, presumably on behalf of the council 28/5/24 (24/065). I would recommend checking if this individual is covered under the council's insurance policy. If not, they are opening themselves to personal risk.

D Budgetary Controls

- Has the council prepared an annual budget in support of its precept?
Yes. At the meeting on 26 November 2024 the council agreed a budget of £21420 (minute 24/117) and at the meeting on 30 January 2025, a precept of £18971 (minute 25/008).

- Is actual expenditure against the budget reported to the council?
The cash book includes an 'Average Spend' worksheet that takes figures from the Payments and Receipts worksheets, compares those actuals against the budget and shows the difference as the remaining budget. Councillors see this worksheet each month and bi-monthly as a standing agenda item and note its contents.
- Are there any significant unexplained variances from budget?
Budgeted Income £16800, actual £18769, the difference being all the income received in addition to the precept. Budgeted Expenditure £21469, actual £17064, the difference being zero spend on budget lines for Election costs, grants awarded and tree works.

E Income Controls

- Does the council have sources of income other than precept and VAT refunds?
BDC street scene, EALC bursary, donation, fireworks income and interest.
- Is income properly recorded and promptly banked?
Only cash re the fireworks, which was taken to the bank at Sudbury as soon as practicable. All other receipts by direct credit
- Does the precept recorded in the cash book agree to the district council's notification?
Yes. Precept total £16800 received as 2 x £8400 from BDC in April & Sep 2023.
- Are security controls over cash adequate and effective
Cash handled as a result of Firework Event. Chair counted it, clerk recounted and agreed amount.

F Petty Cash Procedures

No Petty cash is held. (Financial Reg 11.1).

G Payroll Controls

- Do salaries paid agree with those approved by the council?
Yes. The clerk was employed for 10 hours a week on band 20. The national pay awards were noted at the November meeting (minute 24/118) and back pay calculation implemented by the payroll provider. The clerk is paid by SO each month with a cheque to adjust to the correct salary. The SO has remained unchanged throughout the year. At the personnel committee meeting 18 February 2025, a spinal point increase was approved for the clerk (to band 22) from 1st April 2025 (minute 25/026.1). Last year a handyman was employed for 2 hours a week on band 9. At the meeting on 26 March 2024, it was agreed that the Handyman role was to be made redundant (minute 24/036.1). His last pay date was 16/04/24 including 1 month pay as redundancy.
- Are other payments to the clerk reasonable and approved by the council?
Yes. The clerk receives a monthly expenses cheque which is reimbursement for items such as ink, paper, stamps, envelopes etc. Invoices for training courses attended by the clerk are split between 3 councils (minute 24/118). The clerk also receives a monthly home office allowance of £22.75 which is part of the taxable salary. This will be increased by £1 wef 01/04/25 (minute 25/026.2).
- Has PAYE / NIC and pensions been properly operated by the council as an employer?
Payroll services are provided by Richard Edwards Group. The clerk receives the payslip and a P32 showing amount payable to HMRC. A wages tab is also kept on the cash book for the clerk (and the final handyman salary). The clerk has

opted out of auto enrolment for pension (minute 24/021). The clerk confirmed opting out of the pension (minute 25/026.3). The 3 year declaration to the Pensions Regulator was completed in June 2022 so is due this summer (deadline Dec 2025 per letter received).

- What controls exist over management of staff time and duties?
Clerk appraisal was undertaken by the Personnel committee on 18 February 2025 (minutes 25/025). Peaks and troughs in workload are managed within the weekly hours.

H Asset Control

- Does the council keep an asset register of all material assets owned?
Yes. The asset register was approved at the meeting on 28 May 2024 (minute 24/062). The register has columns for cost b/f, additions, removals, cost c/f and replacement cost. It is organised into sections for land, street furniture, play equipment and office equipment.
- Is the register regularly updated?
Register is updated annually for year-end return. The AGAR figure brought forward from 31/03/24 is £42158. A new laptop was purchased and the previous one disposed of so the AGAR total has remained unchanged. Closing AGAR at 31 March 2025 is £42158.
- Do asset insurance valuations agree with those in the asset register?
The policy schedule for the 2024 renewal showed All Risks cover for Street furniture £25700, Play equipment £20000, Office £500. The insured value for Street furniture is lower than the replacement cost on the 31/03/25 version of the asset register (£29996) so the intention may be to increase the all risks cover at the 01/06/25 renewal. The insured value for play and office equipment is comparable to the 31/03/25 asset register replacement values

I Bank Reconciliation

- Is there a bank rec for each account?
Yes. A combined reconciliation for the 4 bank accounts at the year-end: 2 Nat West current accounts and 2 Nat West deposit accounts.
- Is the bank rec carried out regularly on receipt of statements?
Yes. The Payments worksheet has a 'cleared' column to enable easy reconciliation.
- Are there any unexplained balancing entries in any reconciliation?
There are 7 uncleared cheques on the current account totalling £815.79.

J Year End Procedures

- Are year end accounts prepared on the correct accounting basis (R & P / I & E)?
Yes. R & P basis
- Do accounts agree with the cash book and working papers?
Yes. Formulae on the SOFA worksheet extract figures from the Payments & Receipts worksheets. These are used to create the annual return worksheet figures.
- Is there an audit trail from underlying financial records to the accounts?
Yes, excellent. Source documents are marked with the cheque number and initials of the signatories, and filed in date order
- Where appropriate, have debtors and creditors been properly recorded?
Not needed in R&P accounts.

K Council Exempting itself from a limited assurance review

- Did the council meet the criteria?
Yes. Gross income and gross expenditure in 2023/24 were less than £25000.
- Was the exemption certified at a meeting?
Yes (minute 24/061)
- Was the appropriate notice displayed?
Yes. Certificate of Exemption completed and displayed.

L Web page Publication

The authority publishes information on a website/webpage, up to date at the time of the internal audit, in accordance with the Transparency code for smaller authorities. [Finance – Transparency Code for Small Authorities – Wickham St. Pauls Parish Council \(wickhamstpaulsparishcouncil.org\)](https://www.wickhamstpaulsparishcouncil.org/finance-transparency-code-for-small-authorities)

M Public Rights in Summer 2024

The council agreed the dates for the period for the Exercise of Public Rights commencing 3 June 2024 and ending 12 July 2024 and displayed the notice [public-rights-2023-24-1.pdf](#)

N Publication of Annual Return 2023/24

*The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR Page 1 Guidance Notes).
[agar-23-24-approved_20240530_0001-1.pdf](#)*

O Trustees

- If the council is a trustee, has it met its responsibilities?
Not applicable

Jan Stobart, FCCA
16 April 2025