

May 16, 2025

Fremington Parish Council Internal Audit Report 2024/25

Testing was carried out using sampling where appropriate and covering a range of financial, risk and governance assessed as appropriate for a council of this size and complexity. The findings are reported below:

✓ Governance and Control

All councils of whatever size are required to annually prepare and consider:

- A general and financial risk assessment covering the council's activities.
- A statement of internal control.
- Annually review any charges for services whether or not they are increased and record this in minutes.

Councils under £25,000 turnover are legally required to publish on a website disclosure of information required by the Transparency Code for Smaller Authorities 2014.

Councils with total turnover or expenditure over £25,000 are subject to the requirement of the Freedom of Information Act, where it is a requirement that public bodies publish certain information on their website, and should as best practice comply with the Local Government Smaller Bodies (Transparency Requirements) Regulations 2015.

Councils should ensure compliance with the new rules regarding General Data Protection Regulations (GDPR), which came into effect in May 2018.

Councils should have in place and periodically review:

- Standing orders for the conduct of council meetings are required by law and should be periodically review and changed to reflect current legislation.
- Financial regulations for the control of its financial administration are required by law and should be periodically reviewed for either changes in legislation or internal control procedure changes.
- Any Council moving away from 2 cheque signatories by Councillors and utilising online banking, should have procedures and controls in place to establish appropriate safeguards.

Satisfactory. The website was found to be comprehensive and easy to navigate, in particular, the grant giving process, however, it was noted that the Internal Audit report for 2023/24 was not on the council's website. The Executive Officer agreed that the necessary additions would be made.

✓ **Precept, Budgets and Reserves**

The precept was agreed to the minute setting the precept, the principal authority tax collecting authority records. The receipt was traced and agreed to bank and cash book records. The precept was set after consideration of a budget and consideration of an appropriate level of free reserves (the General Fund) which is generally accepted should lie between 3 and 12 months' expenditure.

Satisfactory.

✓ **Other Receipt or Income**

A sample of other receipts were tested to ensure that, as appropriate:

- That grants and interest were correctly recorded in the cash book and agreed to bank statement
- Chargeable services were correctly and promptly charged to the beneficiaries of those services and that arrangements were in place to pursue late payment.

Satisfactory.

It was acknowledged, through analytical review, that income from hiring of the Beechfield Centre had almost doubled in 2024/25.

It was also noted that the late reimbursement of VAT from His Majesty's Revenue & Customs (HMRC), relating to quarter three of 2023/24, was finally received after almost 12 months delay. HMRC were required to pay to the council an additional £658 in accrued interest.

✓ **Staff Cost**

Testing was carried out as appropriate to ensure that:

- Rates of pay were as approved by Council.
- Additional hours worked were approved and supported by time records.
- Employees are paid in accordance with contractual obligations and on the correct pay date.
- Employees have a written statement of principal terms and conditions.
- That PAYE and NI are operated and paid promptly.

Satisfactory. No issues.

✓ **Payments including Bank and Petty Cash**

A sample of payments were tested as appropriate to confirm:

- Payments are made in accordance with financial regulations
- Payments are supported by invoice, receipt, expense claim, petty cash voucher or other appropriate documentation.
- Grant payments are subject to a proof of need assessment, are required to be evidenced as spent for the approved purpose, and unless having the general power of competence are made within permitted powers.
- Cheque payments are promptly cleared.
- Where payments are made other than by cheque with 2 councillor signatories the council has considered and actioned the requirements of appendix 10 of Governance and Accountability and have documented the process followed and annually review the control of wider definition "money".

Satisfactory, however, where possible, delivery charges should be avoided, especially on smaller value items.

✓ **Insurance**

Insurance cover was reviewed as appropriate to confirm

- Adequate Fidelity Guarantee cover in place
- Range of cover in place has been reviewed at renewal and this has been recorded in the council minutes
- By sample test that assets other than land that appear on the Fixed Asset Register are insured or if not that there has been a decision not to cover them (for example because the excess is greater than the asset value insured).

Generally satisfactory. As last year, the current Fidelity Guarantee levels are £337k. Best practice suggests cover based on cash balance plus half the annual precept. At 1st April 2025 that level is £457k. The council should monitor funds held and make any adjustment to the insurance cover as necessary. The decision making discussion should be minuted.

✓ **Fixed Assets**

Tests were carried to confirm as appropriate

- fixed asset register is up to date
- additions have been correctly identified and a system exists for the identification of fixed assets
- that the disposal by scrapping, selling or part exchange of assets has been approved by council
- that where an insurance value has been used as the cost of an asset was unknown that the value is not increased as the insured value increases

Satisfactory.

✓ **Burials**

A review was carried out at this audit on records relating to transactions at the Burial Ground. No issues were identified during testing of the record keeping for burials, memorials and Exclusive Right of Burial (EROB). Burial charges along with cemetery Terms and Conditions were reviewed in the year. It was noted that there was a decision by the Council during the year to the effect that going forwards, only parishioners and those with a proven local connection can purchase EROB and be interred in Fremington cemetery. This is to ensure that there is sufficient space for parishioners.

Satisfactory, however it is necessary to repeat a recommendation that has been included in the internal audit report for a several years:

- ***That the council continue to pursue a formal agreement or Terms of Reference between the parish council and the Cemetery Superintendent (Gaytons) who act as agents on behalf of the council at their burial ground.***

Please provide copies of the signed and authorised AGAR forms once this has been completed, refer to the audit checklist and request clarification if necessary.

Many thanks for your assistance in the completion of the audit.

Kind regards
Julie