

# **Billingford Parish Council**

## **Internal Audit Report**

**For Billingford Parish / Town Council**

**Financial Year 25/26**

Prepared by Clare Morton

Date 28 April 2026

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I have completed an internal audit of the accounts for Billingford Council for the year ending 31<sup>st</sup> March 2026

My findings are detailed below using the tests provided in the **Governance and Accountability (England) March 2025**

**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 to the bank?	Yes
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?  Do the Financial Regulations comply with the financial details in Standing Orders?	There are Standing Orders and Financial Regulations available however there is no minuted record of their having been reviewed or adopted.  The basic procedures for financial control are the same in the two documents
	Date Standing Orders last reviewed	They are undated and there is no record of review.
	Date Financial Regulations last reviewed	Dated 25/9/25 – no mention in the minutes.
	Has a Responsible Financial Officer been appointed with specific duties?  Is this evidenced in a Job Description?	Not specifically appointed for the year. The clerk performs the function.
	Have goods over £5000 been competitively purchased?	None purchased
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes
	Has VAT on payments been identified, recorded and reclaimed?  When was the last reclaim submitted?	Yes  June 2025

Internal control	Test	Observations
	Has s137 expenditure been approved and separately recorded and within statutory limits? (where applicable)	Only two payments were performed under S137 but these were not separately recorded.
	Has a councillor been appointed as an Internal Control Officer?	None appointed.
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?	There is a Financial Controls document dated 31/3/25 available, however there is no minuted record of this having been reviewed or adopted.  There is no risk register which covers management of the Council's physical assets.
	Does the Scheme detail all potential risk areas?	Financial Controls document seems comprehensive however there is no risk register which covers management of the Council's physical assets.
	Is insurance cover appropriate and adequate?	Not viewed so no assessment of adequacy made.
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Budget does not show projected figures for the coming year and was not adopted.
	Has the precept been calculated from the budget and been approved?	precept approved, minute Nov 25, item 12.

Internal control	Test	Observations
	Does the budget include an actual completed year?	yes
	Is actual expenditure against budget reported to the council during the year as well as at budget time?	Not evidenced Income and expenditure reported every meeting but no reference to against budget.
	Are there any significant unexplained variances from budget?	No comparison to budget made.
Income controls	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Breckland website indicates precept of £5000, which is the minuted amount.
	Are security controls over cash and near-cash adequate and effective?	Cash is not handled.
Petty cash procedures (if applicable)	Is all petty cash spent recorded and supported by VAT invoices/receipts?	Not applicable
	Is petty cash expenditure reported to each council meeting?	Not applicable
	Is petty cash reimbursement carried out regularly?	Not applicable
Payroll controls	Do all employees have contracts of employment with clear terms and conditions?	Yes

Internal control	Test	Observations
	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
Asset controls	Does the council maintain a register of all material assets owned or in its care?	Yes – dated 31/3/25
	Are the assets and Investments registers up to date? When were these last reviewed?	Yes – dated 31/3/25
	How are asset valuations recorded?	Values at purchase.
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes
	Are there any unexplained balancing entries in any reconciliation?	No
	Does the end of year bank reconciliation include all cash held? (Other than long term investments)	No cash held
Year-end procedures	Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes

Internal control	Test	Observations
	Do accounts agree with the cash book?	Yes
	Do accounts include a comparison to the previous year?	As part of AGAR
	Have variations (+/- 15%) been detailed numerically and quantitatively?	Yes as part of AGAR
	Date AGAR to be considered by Council	4 May 2026
	Where appropriate, have debtors and creditors been properly recorded?	Not applicable
Procedural	Appointment of the IA has been agreed – minute reference	Yes Minutes May 2025, item 18.
	Have points raised on the last Internal Audit report been considered by council and actioned?	Minutes indicate that report was discussed and that clerk would item actions. There are some items which have not been addressed.
Transparency: For smaller councils with turnover under £25,000	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	All transactions detailed. Greater than £100 not separately itemized.
	Electors' rights advertised on website?	Yes
	Councillors' responsibilities detailed on website?	Yes
	Last financial year's AGAR on website?	Yes

Internal control	Test	Observations
	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	None owned
Burial Authorities only	Are fees levied in accordance with the Council's approved scale of fees and charges?	Not Applicable
	Have fees for the cemetery been reviewed and agreed by Council?	Not Applicable
	Were comparisons made with other cemeteries prior to setting the fees?	Not Applicable
	Have burial books been kept up to date and are they safely stored?	Not Applicable
Allotments only	Has a list of allotment holders with amounts paid to Council been submitted?	Not Applicable
	Have fees for the allotments been reviewed and agreed by Council?	Not Applicable
	Has a Financial Risk Assessment been undertaken for any larger projects undertaken?	Not Applicable
Box 10 Assertion	<p>Data Protection Policy in place?</p> <p>Generic e mail account hosted on an authority owned domain?</p> <p>Accessibility Statement on the website?</p> <p>Council registered with the ICO</p>	<p>Policy of 9/6/23 reviewed and readopted Minutes November 25, item 13.</p> <p>Yes</p> <p>Yes</p> <p>Not minuted but payment made Dec 2025</p>

Internal control	Test	Observations
	Website meets Web Content Accessibility Guidelines?  Is there an IT policy?	Yes  Yes – adopted and minuted Nov 25, item 14.
	Is there an FOI Publication Scheme?  Is it on the website?   Is it regularly updated?	Yes.  Website has links to a majority of the documents listed under the Freedom of Information Act model publication scheme.  <b>It is undated and has no review period.</b>

**Reasons for any “NO” Boxes on the Internal Auditor’s Report:**

(Note that if the Council is over £25,000 the information below should be sent to the External Auditor.)

**Audit notes**

Items in yellow above are areas where I have not been able to fully satisfy the current audit standards. For major items, there is more detail below.

- Predominantly, there is a lack of minuted confirmation that policies etc are reviewed and updated.  
  
 As recommended last year, documents should be dated as to when last updated and when next to be reviewed and these should be minuted.
- There is no risk assessment relating to the control of physical assets. This should include details of inspection regimes and consider the likelihood of theft, damage etc.
- The budget setting process seems inadequate in that only the current and previous year data is in the budget document, with no projections for the coming year. Whilst I note that you provide Council with regular spend information, this is not against budget.

- I have verified that you have insurance but have not checked its adequacy.
- Minor observations
  - On the typed Summary of Receipts, there are typos for Chq 719 – sheet records £3.23 and rest of paperwork supports £3.20  
For chq 741 – sheet records £169.99 and paperwork supports £169.49
  - The minutes P165 item 15 indicates precept income as £2375 and not £2500 as was actually received.

Transferring from record keeping in a book, to the use of a spreadsheet would eliminate the transcription errors as reports could be printed directly and totals calculated automatically.

**Notes / recommendations for 26/27:**

I would recommend that an agenda item is added to the November meeting for the formal review and approval of documents such as the budget, precept, Financial Regulations, Asset list, risk assessments, IT, GDPR documents and the standing orders. This would align all the dates and provide the adoption criteria required for AGAR.

A properly documented budgeting process is required. The resulting document should contain data for a full previous year, the current year's income / spend to date and expected further income / expenditure, the proposed income / spend for the coming year with an explanation as to why these figures are appropriate. Thus it can be seen how the precept has been calculated and it is possible to monitor actual data against predicted, which is an audit requirement.

As recommended last year, I would recommend that Council reviews its Internal Controls / Risk Assessment, with particular reference to having its own smart phone going forward. Whilst I note that the Council does not do on-line banking, the personal number has to be given out to parishioners and businesses wanting to contact the Council by phone. If the Clerk was to leave her role, taking her phone number with her, your business continuity would be severely impacted as a result.

Clare

Clare Morton  
Internal auditor