

Bramfield and Thorington Parish Council

Internal Audit Report Response & Action Plan 2024/25 – 9TH June 2025

There was one recommendation and a number of comments included in the Council’s internal audit report for 2024/25, dated 5th June 2025, prepared by Suffolk Association of Local Councils. The following responses and actions were agreed by the Council on 12th June 2025:

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Section 1 – proper bookkeeping	Additional comments: the RFO has shown best practice by ensuring that the minutes make reference to the powers used to incur expenditure. Statutory powers are granted by Parliament and give local councils the choice or opportunity to take action and are therefore discretionary. Like all powers given to public bodies the powers of local councils are defined in detail in legislation and these details may include a requirement to obtain the consent of another body. Local Councils must exercise their powers subject to the provisions of the general law.	N/A
Section 2 – Financial Regulation and Standing Orders - Have Standing Orders been adopted, up to date and reviewed annually?	Comment: at the next annual review, Council might wish to note that NALC have updated Model Standing Order (England) section 18 to comply with new procurement legislation and ensure consistency with our 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. NALC have also changed the language in the document to gender neutral terms to align with their policy and the Civility and Respect Project.	Standing Orders were updated and approved at the Council Meeting held on 12 th May 2025
Section 2 – Financial Regulation and Standing Orders - Are Financial Regulations up to date and reviewed annually?	Comment: council might wish to note that revisions to the Model Financial Regulations were published on 13th March 2025, and these should be included in the council’s next review of its Financial Regulations.	Model Financial regulations were updated and approved at the Council

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		Meeting held on 12 th May 2025
Section 3 – Payment controls - Is there supporting paperwork for payments with appropriate authorisation?	Comment: whilst the payment scheduled is seen as submitted with the agenda, to provide clarity to the reader as to the council’s financial transactions, the schedule of authorized payments should be included in the minutes or as an appendix to the minutes.	The clerk will action this going forward
Section 3 – Payment controls - Where applicable, are payments of interest and principal sums in respect of loans paid in accordance with agreements?	Comment: council is aware that s137 is a capped power and payments should be within statutory limits and deemed to be of benefit to those living in the area.	Ongoing
Section 4 – Risk management - Is there evidence that risks are being identified and managed?	Comment: council has in place monitoring documents which identify the risks involved with and the potential for improvements to its arrangements to protect public money. It provides the opportunity for reviews of operational as well as financial and governance reviews by members to ensure that it has mitigation measures in place to address the risks associated with the council’s day to day operations.	N/A
Section 4 – Risk management - 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?	<p>Comment: 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/May and/or during the year upon receipt of grants.</p> <p>Comment: Council has ensured that it is able to demonstrate that it has reviewed the risks facing the Council in transacting its business and has taken out appropriate insurance to manage and reduce the risks relating to property, cash and legal liability (amongst other things).</p>	N/A
Section 4 – Risk management - 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	Comment: Council is aware that in accordance with the Accounts and Audit Regulation 2015, the parish council must review the terms of reference and effectiveness of internal audit and demonstrate that it has understood that the role of internal audit is to evaluate and report on the adequacy of the system of internal control.	N/A

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Section 5 – Budgetary controls - Verify that budget has been properly prepared and agreed	Comment: council has shown best practise by evidencing within the minutes the actual budget being set alongside the reasoning for such a budget thereby ensuring transparency in the budgetary process followed by the council.	N/A
Section 5 – Budgetary controls - Verify that the precept amount has been agreed in full Council and clearly minuted	Comment: in accordance with best practice, council should record in the minutes the impact the precept being set would have on a Band D Dwelling in monetary as well as percentage terms.	The Clerk will action this in future
Section 5 – Budgetary controls - Reserves held – general and earmarked	Comment: Council has followed guidance as issued by Proper Practices which states that it is regarded as acceptable for a council’s general (non earmarked revenue) reserves to be equal to 3 to 12 months of Net Revenue Expenditure and should ensure that the level of general reserves held is in accordance with an adopted General Reserve Policy. There is no upper limit for Earmarked Reserves, but they should be held for genuine and intended purposes and their level subject to regular review and justification (at least annually).	N/A
Section 5 – Budgetary controls	Additional comments: Council has shown good practice by ensuring the recommended key stages as to the budgetary process are followed for the year and has ensured that progress against the budget is reviewed regularly throughout the year.	N/A
Section 8 – Payroll controls - Has the Council approved salary paid?	Comment: Council ensures that 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.	N/A
Section 10 – bank reconciliation - Is bank reconciliation regularly completed and reconciled with the cash book and cover every account?	Comment: council has understood that the bank reconciliation is a key tool for management as it assists with the regular monitoring of cash flows which aids decision-making, particularly when there are competing priorities.	N/A
Section 10 – bank reconciliation - Do bank balances agree with bank statements?	Comment: the internal auditor is able to verify the year-end bank reconciliation detail and can ensure that the combined cash and bank balances as identified are included within the AGAR, section 2, line 8.	N/A
Section 10 – bank reconciliation - Is there regular reporting of bank balances at Council meetings?	Comment: this is not only good practice but is also a safeguard for the RFO and fulfils one of the authority’s internal control objectives.	N/A
Section 11 – year end procedures - Has the appropriate end of year AGAR10 documents been completed?	Comment: council should ensure that it completes Section 11a of the Accounting Statements.	Actioned by the Clerk

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Section 11 – year end procedures - Did the Council meet the exemption criteria and correctly declared itself exempt?	Comment: Council has ensured that there is formal evidence of the legal decision taken to claim exemption under section 9 of the Local Audit (Smaller Authorities) Regulation 2015.	N/A
Section 11 – year end procedures - 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?	Comment: within the Annual Internal Audit Report, internal control objective test M requires the internal auditor to establish whether the parish council correctly provided for the exercise and published a copy of the required “Public Notice” by ensuring that it clearly identified the statutory 30 working day period when the Authority’s records are available for public inspection. This is evidenced by the notice on the website which contains the period for the exercise of public right; details of the manner in which the documents can be inspected; the name and address of the external auditor and the provisions as contained under section 25 and section 27 of the Act.	N/A
Section 12 – internal audit - Has the Council confirmed the appointment of an internal auditor?	Comment: Council has understood the requirement to ensure that there is an appointed person to provide assurance that the financial and management systems of the council are sound an	N/A
Section 12 – internal audit - Has the letter of engagement been approved by full council?	Comment: by approving the letter of engagement, Council will be following Proper Practices by ensuring it has clarity on the provision of internal audit including the roles and responsibilities, audit planning and timing of visits, reporting requirements, rights to access to information, members and officers, period of engagement and remuneration.	N/A
Section 14 – additional information - Is there evidence that Minutes are administered in accordance with legislation? 14	Recommendation: s85 of the 1972 Act states that “..if a member of a local authority fails throughout a period of six consecutive months from the date of his last attendance to attend any meeting of the authority, he shall, unless the failure was due to some reason approved by the authority before the expiry of that period, cease to be a member of the authority.” Council is advised to ensure that all absences are not merely recorded but approved by the Council thereby ensuring that the absence is not treated as unapproved. An accidental or unforeseen absence at a subsequent meeting could then lead to an unnecessary disqualification. NALC LTN 5 provides further clarity on this matter including the good practice of seeking approval for an apology in writing.	The Clerk will action this in future