# Report to Ditchingham Parish Council

## The Internal Audit of the Accounts for the year ending 31 March 2025

### 1. Introduction and Summary.

1.1 The Internal Audit work undertaken confirmed that during the 2024/25 year the Council maintained effective governance arrangements including a robust and effective framework of internal control and risk management. The Internal Audit review, undertaken on the documentation provided to the Internal Auditor and on the information published on the Council's website, has confirmed that the Council maintains an effective framework of financial administration and internal financial control. The Council displays many examples of good financial practice.

1.2 By examination of the 2024/25 accounts and supporting documentation it was confirmed that the Clerk, in the role as the Council's Responsible Financial Officer (RFO), satisfactorily undertook the administration of the Council's financial affairs and produced financial management information to a high standard to enable the Council to make well-informed decisions.

1.3 I would like to commend the Clerk/RFO for the excellent presentation of the Council's documents for the audit.

1.4 The Accounts for the year confirm the following:

| | |
|---|---|
| *Total Receipts in the year:* | *£60,136,38* |
| *Total Payments in the year:* | *£55,645.02* |
| *Total Balances at year-end:* | *£137,458.03* |

1.5 The Annual Governance and Accountability Return (AGAR) to the External Auditors was examined and the following figures agreed with the Clerk/RFO for inclusion in Section 2 Accounting Statements 2024/25 (rounded for purposes of the Return):

| | |
|---|---|
| *Balances at beginning of year (1 April 2024):* | *Box 1: £132,967* |
| *Annual Precept 2024/25:* | *Box 2: £47,000* |
| *Total Other Receipts:* | *Box 3: £13,136* |
| *Staff Costs:* | *Box 4: £14,269* |
| *Principal repayments/loan interest:* | *Box 5: £0* |
| *All Other payments:* | *Box 6: £41,376* |
| *Balances carried forward (31 March 2025):* | *Box 7: £137,458* |
| *Total cash/short-term investments:* | *Box 8: £137,458* |
| *Total fixed assets:* | *Box 9: £155,122* |
| *Total borrowings:* | *Box 10: £0* |



**TREVOR BROWN CPFA**
**Internal Audit Services**
**Charnwood, California, Woodbridge, Suffolk IP12 4DE**
**Tel: 01394 384698 or 07587 523764**
**Email: tcdbrown01@yahoo.co.uk**

1.6 Sections One and Two of the AGAR are due to be approved and signed at a forthcoming meeting of the Council. The Internal Auditor has completed the Annual Internal Audit Report for 2024/25 within the AGAR.

1.7 The following Internal Audit work was carried out on the adequacy of systems of internal control in accordance with the Audit Plan. Comments and any recommendations arising from the review are made below.

**2. Governance, Standing Orders, Financial Regulations and other Regulatory matters *(examination of Standing Orders, Financial Regulations, Code of Conduct, Formal Policies and Procedures, Tenders where relevant. Acting within the legal framework, including Data Protection legislation).***

2.1 The Annual Parish Council meeting took place on 20 May 2024. The first item of formal business was the Election of a Chair, as required by the Local Government Act 1972.

2.2 The Sub and Advisory Committees' Terms of Reference were reviewed and approved by the Council at its meeting on 3 March 2025. The Council maintained the following during the year 2024/25:

Finance & Resources Committee (Decision and Advisory)
Community Committee (Advisory)
Planning & Highways Committee (Advisory)

2.3 Standing Orders are in place and were reviewed and approved by the Council at its meeting on 3 March 2025. The Standing Orders are based on the model Standing Orders published by the National Association of Local Councils (NALC). Revisions to the model Standing Orders were published by the NALC on 31 March 2025. The amendments can be included at the Council's next review of Standing Orders.

2.4 Financial Regulations are similarly in place, having been reviewed and updated by the Council at the meeting held on 3 March 2025. The Regulations are based on the model Financial Regulations published by NALC. Revisions to the model Financial Regulations were published by NALC on 13 March 2025 and these can be included in the Council's next review of the document

2.5 The Council is no longer applying the General Power of Competence (GPoC), having lost eligibility due to the low number of Councillors elected in May 2023.

2.6 The Council demonstrates good financial and management practice by maintaining and regularly reviewing a wide range of formal written policies which are published on the Council's website. The Council's Policies and Statutory Documents are reviewed annually at the March meeting each year and can be viewed on the Council's webpage:

*https://ditchingham-pc.gov.uk/category/how_we_work/policies/*

2.7 The Policies were reviewed by the Council at its meeting on 3 March 2025 when a new Safeguarding Policy was approved.

2.8 The Council's Minutes are presented to a high standard, sequentially numbered



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and provide clear evidence of the decisions taken by the Council in the year. The Minutes is signed/initialled by the person acting as Chair of the meeting at which the Minutes are approved. The Council demonstrates good practice by promptly publishing a draft copy of the Minutes and later a final version following approval by the Council.

2.9 The Council is registered with the Information Commissioner's Office (ICO) as a Fee Payer/Data Controller for the provision of council services under Data Protection legislation (Registration ZA061875, expiring 23 July 2025).

2.10 The Council demonstrates compliance with the General Data Protection Regulations (GDPR) by maintaining a wide range of Data Protection policies, procedures and documentation which were reviewed by the Council on 18 March 2024. A Data Retention  and Disposal Policy and a Subject Access Request Policy and Procedure were also considered and approved by the Council on 3 March 2025.

2.11 The Council has a Freedom of Information Policy and a Publication Scheme in place to assist compliance with Freedom of Information legislation.

2.12 The Council periodically reviews and re-adopts the Councillor's Code of Conduct, which details the requirements and responsibilities placed upon each individual Councillor. The Council has adopted the Local Government Association (LGA) Code of Conduct for Councillors and a copy has been published on the Council's website. The Code was reviewed and re-adopted by the Council at the meeting on 3 March 2025.

2.13 The Council continues to demonstrate engagement with the community through an informative website and the provision of updates/information and reports from police and other services. A Website Accessibility Statement has been published on the website to assist compliance with the Website Accessibility Regulations.

2.14 The Council is registered for a gov.uk domain name and mailboxes for the Clerk/RFO and Councillors in accordance with Best Practice recommended by the Joint Panel on Accountability and Governance (JPAG).

**3. Accounting Procedures and Proper Book-keeping *(examination of entries in the Cashbook, regular reconciliations, supporting vouchers, invoices and receipts and VAT accounting).***

3.1 The Cashbook Spreadsheet was found to be in good order and well presented.

3.2 The Cashbook is well referenced and facilitates an audit trail to the Bank Statements and the financial information prepared by the Clerk/RFO.

3.3 VAT payments are tracked and identified within the Cashbook. The VAT reference numbers have been listed to assist the completion of reclaims. VAT re-claims were regularly submitted to HMRC during the year of account, as follows:

a) The VAT re-claim of £967.62 for the period 1 February 2023 to 31 March 2024 is recorded in the Cashbook as received at bank on 1 April 2024 and reported to Council on 20 May 2024 (Finance Report refers).
b) The VAT re-claim of £301.54 for the period 1 April 2024 to 30 June 2024 is



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**Internal Audit Services**
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**Email: tcdbrown01@yahoo.co.uk**

recorded in the Cashbook as received at bank on 15 July 2024 and reported to Council on 16 September 2024 (Finance Report refers).

c) The VAT re-claim of £738.19 for the period 1 July 2024 to 30 September 2024 is recorded in the Cashbook as received at bank on 7 October 2024 and reported to Council on 18 November 2024 (Finance Report refers).

d) The VAT re-claim of £3,350.45 for the period 1 October 2024 to 31 January 2025 is recorded in the Cashbook as received at bank on 10 February 2025 and reported to Council at its meeting on 3 March 2025 (Finance Report refers).

e) The Clerk/RFO confirmed that a VAT re-claim of £829.85 for the period 1 February 2025 to 31 March 2025 has been submitted to HMRC.

3.4 The Community Infrastructure Levy (CIL) Annual Report for the year ended 31 March 2025 shows an amount of £10,357.34 brought forward as at 1 April 2024, Nil CIL received and £10,357.34 CIL applied in the year 2024/25 on Play Equipment Repairs. Accordingly, a Nil balance was retained as at 31 March 2025. A copy of the Report has been published on the Council's website.

3.5 A Statement of Explanation of Variances (explaining significant differences in receipts and payments between the years 2023/24 and 2024/25) has been prepared by the Clerk/RFO for submission to the External Auditors and for publication on the Council's website. The External Auditors normally require an explanation where the carried forward (end of year) reserves are greater than twice the income from the Precept and the Clerk/RFO can address this matter in a Statement listing Earmarked and General Reserves in place as at 31 March 2025.

**4. Bank Reconciliation *(Regularly completed and cash books reconcile with bank statements).***

4.1 Bank Reconciliations are regularly presented to Council and listed as an attachment to the Council's Minutes.

4.2 At the meeting on 16 September 2024 the Council noted that the Barclays Bank Saver Account had been closed and a new Saver Account had been opened with Redwood Bank.

4.3 The Bank Statements as at 31 March 2025 for the Unity Bank Current Account (£2,675.89), the Unity Bank Savings Account (£47,753.17) and the Redwood Bank Account (£86,983.97) totalled £137,413.03 and reconciled with the Accounts Balance of £137,458.03 as at 31 March 2025 taking into account the uncleared cheque receipt re: Blerton and Woods Memorial (credit of £45.00) as at 31 March 2024 (which was received at bank on 1 April 2025).

4.4 The range of deposits held by the Council assists provides significant protection under the Financial Services Compensation Scheme (FSCS) which provides compensation up to £85,000 for eligible deposits.



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**5. Year End procedures *(Regarding accounting procedures used and can be followed through from working papers to final documents. Verifying sample payments and income. Checking creditors and debtors where appropriate).***

5.1 End-of-Year Accounts are prepared on a Receipts and Payments basis and were in good order. Sample audit trails were undertaken and were found to be in order.

**6. Internal Control and the Management of Risk *(Review by Council of the effectiveness of internal controls, including risk assessment, and Minuted accordingly).***

6.1 The Council has a Risk Assessment document in place. The Risk Assessment provides an analysis of both the financial and non-financial risks faced by the Council and the internal control measures in place to mitigate the risks identified. The Risk Assessment document was reviewed and re-adopted by the Council at its meeting on 3 March 2025 (Minute 8j refers).

6.2 The Council accordingly complied with the Accounts and Audit Regulations 2015, which require that at least once during each financial year a Council must undertake a review of the effectiveness of its Internal Control arrangements, including the management of risk, and that the Minutes of the Council must formally record that the review has taken place.

6.3 An important area of risk management within local councils concerns the adequate maintenance of play equipment. The Council receives, as a matter of routine, reports at its meetings on the condition of the play equipment and any replacements and repairs required or being undertaken.

6.4 At its meeting on 18 November 2024 the Council considered the Play Area Inspections Reports 2024. The Clerk/RFO had analysed the reports for The Dip's and Thwaite Road Play Areas and prepared an Action Plan. Quotations were to be obtained to enable the recommended repairs to be completed. Councillors approved the Quotations for the Handyman, Ground Maintenance, The Dip's Skate Park Repairs and Thwaite Road Play Area Repairs at the meeting on 20 January 2025. The Clerk confirmed the budget funds of £19,540.

6.5 On 20 January 2025 the Clerk informed the Council that the CIL reserve, allocated for street lighting and required to be used before 2027, could instead be used for play equipment repairs. Councillors resolved that £10,752.38 be transferred from the Play Area Reserve to the Street Lighting Reserve and the CIL funds be used to cover the cost of play area equipment repairs.

6.6 Insurance was in place for the year of account. At its meeting on 15 July 2024 the Council approved the renewal payment of £872.64 to Business Services, Community Action Suffolk (CAS) Ltd. (subsequently reduced to £866.10 and a refund of £6.54 provided to the Council).

6.7 The Policy is provided by Ansvar Insurance and runs from 7 August 2024 to 6 August 2025. Employers Liability insurance cover and Public Liability insurance cover each stand at £10m. The Fidelity Guarantee (Councillor/Employee Dishonesty) insurance cover stands at £250,000 and meets the current recommended guidelines which provide that the cover should be at least the sum of the year-end balances



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plus 50% of the precept/grants.

**7. Budgetary controls *(Verification of the budgetary process with reference to Council Minutes and supporting documents).***

Precept 2024/25: £47,000 (Meeting on 20 November 2023, Minute 6c and Budget Report refer).

Precept 2025/26: £47,000 (Meeting on 18 November 2024, Minute 6c and Budget Report refer).

7.1 The Precepts were agreed in Full Council and the Precept decision and amount have been reported in the Council's Minutes. The Clerk ensures the Council is aware of its responsibilities and commitments and the need for forward planning and adequate reserves. Budget papers are prepared to ensure councillors have sufficient information to make informed decisions.

7.2 Good budgetary procedures are in place. Examination of the accounts and supporting documentation for the year under review confirmed that the Council prepared detailed estimates of the annual budget and of receipts and payments.

7.3 The estimates for 2024/25 were used effectively for financial control and budgetary control purposes with detailed budgetary position statements (budget reports) being presented to meetings of the Council.

7.4 The Council considers Restricted and Earmarked Reserves as a matter of routine. At the time of approving the Draft Budget 2025/26, the Council agreed to move £15,018.56 from Earmarked Reserves to a Ground Maintenance Reserve for additional maintenance. At its meeting on 3 March 2025 the Council considered the General Reserves balances and agreed to authorise the Clerk/RFO to vire any excess General Reserves to the Restricted Reserves.

7.5 As at the 31 March 2025 the Council maintained sufficient reserves and contingency sums to meet, within reason, any unforeseen items of expense. The Overall Reserves at the year-end totalled £137,458.03, of which £113,949.87 was Earmarked as follows:

a) Hollow Hill Community Orchard Grant: £2,000.00
b) Lychgate & Cemetery Maintenance: £8,148.00
c) Grounds Maintenance Reserve: £15,018.56
d) Play Area New Equipment & Repairs Reserve: £11,682.93
e) Streetlights Repairs/LEDs/Removal (74 Street lights): £70,107.38
f) Tree Maintenance: £6,093.00
g) Village Improvements: 900.00

7.6 The General Reserves (Overall Reserves less Earmarked Reserves) accordingly totalled £23,508.16 as at 31 March 2025 and is in line with the JPAG (Proper Practices) Practitioner's Guide Item 5.34 that non-earmarked revenue reserves should usually be between 3 and 12 twelve months of net revenue expenditure.



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**8. Income Controls *(regarding sums received from Precept, Grants, Loans and other income).***

8.1 Receipts recorded in the Cashbook (£60,136,38) consisted of the Precept (£47,000), Grants received (£600) Youth Shelter Receipt (£400), Allotment Rents (£338), Cemetery (£1.840), VAT reclaimed from HMRC (£5.357.80) and Bank Interest (£4,600.58).

8.2 Cemetery Fees were reviewed by the Council at its meeting on 18 March 2024. The Fees that applied for the 2024/25 year were published on the Council's webpage:

*https://ditchingham-pc.gov.uk/wp-content/uploads/2024/03/DPC-Cemetery-Fees-2024-25-updated.pdf*

Similarly, Cemetery Fees for 2025/26 were reviewed by the Council at its meeting on 3 March 2025 and can be viewed on the Council's webpage:

*https://ditchingham-pc.gov.uk/category/how_we_work/policies/*

8.3 The Allotments Policy provides that allotment rents will be reviewed annually and notified annually by the Council in September each year. New rental rates are to be applied from 1 October.

**9. Petty Cash *(Associated books and established system in place).***

9.1 A Petty Cash system is not in use. An expenses system is in place with on-line payments being made for expenses incurred.

**10. Payroll Controls (*PAYE and NIC in place; compliant with HMRC procedures; records relating to contracts of employment).***

10.1 The Council's Payroll Services were outsourced to Van Dijk Accountants during the year 2024/25. Detailed payslips are produced. PAYE was in place during the year of account. P60 End of Year Returns in respect of the 3 Council staff were presented to the Internal Auditor.

10.2 A Contract of Employment is in place for the Clerk/RFO who confirmed that Contracts of Employment are also in place for the post of Play Equipment Inspector/Litter Picker/Speed Awareness Handler/Asset Checker and the post of Village Cleaner.

10.3 At the meeting on 17 January 2022 the Council agreed to set up a Staff Pension Scheme and on 21 March 2022 the Council resolved to award a NEST pension scheme to any of the Council's staff who wished to join.

10.4 At the meeting on 18 November 2024 the Council noted the Clerk/RFO's JNC/Annual NALC Pay Award for local government officers to apply from 1 April 2024.

10.5 In terms of the requirements under the Workplace Pensions legislation, on 25



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August 2023 Van Dijk Accountants completed on behalf of the Council a re-declaration of compliance under the Pensions Act 2008. (The re-declaration of compliance confirms to The Pensions Regulator that the Council complies with its duties as an employer and has to be completed every three years).

**11. Assets Controls *(Inspection of asset register and checks on existence of assets; recording of fixed asset valuations; cross checking on insurance cover).***

11.1 An Asset Register is in place and is a comprehensive document displaying details of each asset, its location, purchase date (where known), purchase value and insurance value with supporting notes. The updated Register was reviewed and approved by the Council at its meeting on 3 March 2025.

11.2 The total value of £155,122 as at 31 March 2025 is a net increase of £745 compared to the value at the end of the previous year (£154,377). New items totalled £320 and related to the acquisition in the year of account of two new litter bins. Items not previously recorded/valued totalled £5,925 and included the Telephone Box Library (£5,000), Recycled Bench (£427) and Wooden Bench (£498). The Clerk/RFO confirmed to the Internal Auditor that the reduction in value of £5,500 reflected the removal of a Youth Shelter (£5,400) and a wooden bench (£100).

11.3 The Register complies with the current requirements which provide that each asset should be displayed at a consistent value, year-on-year. The assets are recorded at purchase cost (where known) or a community value of £1 in appropriate cases. The Clerk/RFO confirmed that the current Asset Register is sent to the insurers when requesting quotations.

11.4 The value as at 31 March 2025 has been correctly entered into Box 9 of Section 2 of the AGAR.

**12. Internal Financial Controls, Payments Controls and Audit Procedures *(Confirmation that the Council has satisfactory internal financial controls in place for making payments with adequate documentation to support/evidence payments made. Any previous audit recommendations implemented).***

12.1 The Council has satisfactory internal financial controls in place. The Clerk/RFO provides comprehensive financial reports to Council meetings and Councillors are provided with information to enable them to make informed decisions. The Clerk/RFO provides the Council with an up-to-date report at each meeting regarding the Council's finances, including a list of Payments and Receipts since the previous meeting and Bank Balances.

12.2 Receipts and payments are listed as an attachment to the Council's Minutes as part of the overall financial control framework. Online payments were examined by the Internal Auditor on a sample basis by verifying the entries in the bank account with the supporting documentation. The payments examined in the year 2024/25 were supported by invoices/vouchers, all of which are signed or initialled by the nominated signatories in confirmation of the payment being correctly made

12.3 Electronic payments were made during the year 2023/24. The Council approved



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an Online Banking Procedure at its meeting on 18 March 2024 (Minute 9g) to ensure adequate control over the online payment system.

12.4 The On-line Banking Policy provides that:

- *' All requests for payment will be verified for accuracy by the Clerk/RFO and once authorised, the Clerk/RFO will set up the bank payments and inform two Councillor signatories by email with a copy of the payment schedule and invoices.*
- *On receipt of the email from the Clerk/RFO the Councillor will authorise the payment, cross referencing with the schedule and invoice to ensure there are no discrepancies. The Councillor will then authorise the payment.*
- *At the next meeting of the Council the Councillors who authorised the payments will initial the invoices and the email.*
- *A Finance Report of all payments made shall be prepared by the Clerk/RFO and presented to each meeting of the Council to be ratified by full Council'*

The Clerk/RFO is the Service Administrator who initiates/sets up the payments made through electronic means/internet banking. The Clerk/RFO sends an email (with scanned invoices attached) to two Councillors for them to electronically authorise the payments in accordance with the above Policy.

12.5 The Clerk/RFO confirmed to the Internal Auditor that the bank does not issue Internet Banking payment confirmations stating that each payment has been completed. Consequently the emails with the payments listed are printed out and attached to the invoices and at the next meeting the Councillors who authorised the payments initial the invoices and the email. The Clerk/RFO confirmed that the Council has authorised three Councillors, who are also cheque signatories, to approve transactions generated by the Clerk/RFO.

12.6 The Clerk/RFO confirmed that no cheques were used in the year 2024/25.

12.7 The Internal Audit for the previous year (2023/24) was received and approved by the Council at its meeting on 20 May 2024 (Minute 8b refers). No matters of concern were raised in the report.

12.8 The Internal Auditor for the 2024/25 year was formally appointed by the Council at its meeting on 20 May 2024 and the date of the audit confirmed on 3 March 2025.

**13. External Audit *(Recommendations put forward/comments made following the annual review).***

13.1 The External Audit Report and Certificate by PKF Littlejohn LLP for the 2023/24 year (dated 31 July 2024) was received by the Council at its meeting on 16 September 2024. The Report raised no issues of concern.

**14. Publication Requirements.**

14.1 Under the Accounts and Audit Regulations 2015 authorities must publish each year the following information on a publicly accessible website:

*Notice of the period for the exercise of Public Rights*



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*AGAR - Sections 1 and 2.*

Following the completion of the External Audit:

*Notice of Conclusion of Audit*
*AGAR - Section 3*
*AGAR - Sections 1 and 2 (including any amendments as a result of the Limited Assurance Review).*

14.2 The Internal Auditor was able to confirm that the publication requirements have been met and that the documents in respect of the year 2023/24 were readily accessible on the Council's webpage:

*https://ditchingham-pc.gov.uk/category/finance/*

**15. Additional Comments.**

15.1 I would like to record my appreciation to the Clerk/RFO for her assistance during the course of the audit work. I would particularly like to commend the Clerk/RFO for the careful presentation of the Council's documents for the audit.

Trevor Brown

**Trevor Brown, CPFA**

**Internal Auditor**

**14 April 2025**



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