

**Petrockstowe Parish Council
Internal Audit Financial Year 2025/26**

Internal Control Objectives (ICO)	Test	Observations/Recommendations	Notes
ICO A Proper bookkeeping	Is the cash book maintained and up to date?	Yes.	
	Is the cash book arithmetically correct?	Yes.	Spreadsheet.
	Is the cash book regularly balanced?	Yes.	
ICO B Standing Orders, Financial Regulations and Payment Controls	Has the council adopted Standing Orders formally? Latest date of review and re-adoption.	Yes.	July 2025. Review during 2026/27.
	Has the council adopted Financial Regulations formally? Latest date of review and re-adoption.	Yes.	July 2025. Review during 2026/27.
	Has a Responsible Financial Officer been appointed with specific duties?	Yes.	The clerk.
	Have items or services above the <i>de minimis</i> amount (per FinRegs) been purchased competitively?	n/a	
	Are payments in the cash book supported by purchase orders, invoices, authorised and minuted?	Yes.	

	Has VAT on payments been identified, recorded and reclaimed?	Yes.	
<i>EITHER</i>	Is s137 expenditure separately recorded and within the statutory annual limit?	Yes.	
	Have s137 payments been approved and included in the Minutes as such?	Yes.	
<i>OR</i>	Is eligibility for the General Power of Competence evidenced properly?	n/a	
	Date of adoption/confirmation of GPoC; next date for re-adoption	n/a	
ICO C 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?	Yes.	
	Date of Risk Assessment /Management Policy review and adoption.	July 2025.	
	Is insurance cover appropriate and adequate?	Yes.	
	Are internal financial controls documented (is there an adopted policy, and are IC checks noted in Minutes?) and regularly reviewed?	Policy adopted 2024.	Quarterly reviews by cllrs noted in Minutes.

ICO D Budgetary controls	Has the Council prepared an annual budget in support of its precept and has this been minuted separately as being approved?	No.	Budget must be approved separately, prior to precept decision.
	Has the precept been calculated from the budget and been approved as a £figure as a separate Minute?	No.	Precept figure is not provided in Minutes.
	Does the budget include an actual completed year?	Yes.	
	Is expenditure against budget regularly reported to council?	Not minuted.	
	Are there any significant unexplained variances from budget?	No.	Detailed explanations for all variances.
	Where necessary, does the council have a formal Investment Policy (bank balances over £100K)?	n/a	
	Has the Council agreed a General Reserve Policy?	No.	
	Are General Reserves and Ear-marked Reserves specifically noted in the Budget? Are specific justifications available?	ERMs yes.	
ICO E Income Controls	Is income recorded properly and banked promptly?	Yes.	
	Does the precept recorded agree to the Council Tax authority's notification?	Unknown.	Precept figure not minuted.

	Are security controls over cash and near-cash adequate and effective?	n/a	
ICO F Cash Procedures	Is all cash spent recorded and supported by VAT invoices/receipts?	n/a	
	Is cash expenditure reported to each Council meeting?	n/a	
	Is cash reimbursement carried out regularly?	n/a	
ICO G Payroll Controls	Do all employees have contracts of employment with clear terms and conditions? Were they, or a statement of employment particulars, issued on or prior to Day 1 of employment?	Yes.	Same employee as previous year.
	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.	
	Has the council complied with the requirements of the Pensions Regulator?	No correspondence received since 2018.	Investigate.

ICO H Asset Controls	Does the Council maintain a register of all material assets owned or in its care?	Yes.	
	Are the assets and investments registers up to date? When were these last reviewed?	Yes. For 2025-26.	
	Does the asset insurance valuations agree with those in the asset register?	No.	Assets in register are correctly stated at original purchase price. Current insurance values are sensibly higher.
ICO I Bank account reconciliations	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?	For every meeting.	
	Are there any unexplained balancing entries in any reconciliation?	No.	
ICO J Year-end Procedures	Are year-end accounts prepared on the correct accounting basis? (Receipts and Payments, or Income and Expenditure)?	Voluntary decision to use I&E.	
	Do accounts agree with the cash book?	Yes.	
	Has a year-end bank reconciliation been undertaken?	Yes.	
	Is there an audit trail from underlying financial records to the accounts?	Yes.	

	Where appropriate, have debtors and creditors been recorded properly?	Yes.	
ICO K Exemption from limited assurance review (“external audit”)	For the previous financial year (2024/25) did the council correctly declare itself exempt?	Yes.	
ICO L Transparency: For smaller councils with turnover under £25,000	Have the following been published? All items of expenditure above £100; List of councillor or member responsibilities; Location of public land and building assets; Minutes, agendas and papers of formal meetings.	Yes, included in Minutes; n/a; yes; yes.	
ICO M Exercise of public rights	Did the council correctly arrange for public rights inspection of the accounts (2024/25)?	Yes.	
ICO N Publication of 2024/25 AGAR	Were the following published? Governance statement; Accounting Statements; Internal Audit Report(s); Limited Assurance Review certificate/Exemption certificate; Notice of Conclusion of Audit.	Yes; yes; yes; yes; n/a.	
ICO O Digital & Data Compliance*	Has the council adopted a Data Protection Policy?	Yes.	2023. Due for review May 2026.
	Has the council put in place Privacy Notices?	Yes.	2023. Suggest review during 2026/27.

	Is the council registered with the Information Commissioner's Office?	Yes.	August 2025 DD.
	Does the council's website meet accessibility requirements?	Yes.	Last test March 2026.
	IT Policy: date adopted. Does it include training requirements for councillors?	Yes, March 2026.	SAPPP standard policy.
	Publication Scheme – has the council adopted an ICO-compliant publication scheme?	Yes.	
	FoI/SAR – does the council have a clear procedure for dealing with these?	Only within Data Protection Policy.	Suggest devise and adopt separate procedure documents.
	Does the council own its website? (Best practice .gov.uk, but .org.uk acceptable.)	Yes.	
	Does it operate with at least one council-owned email address?	Yes.	
ICO P Councils with Charities	Are all Charities up to date with Charity Commission filing requirements?	n/a	
	Has the council been named as Sole Trustee on the Charity Commission Register?	n/a	
	Is the council as sole trustee acting in accordance with the Charity Trust Deed?	n/a	
	Are the Charity meetings and accounts recorded separately from those of the Council?	n/a	
Other areas of audit			

Procedural/best practice	Have points raised on the last Internal Audit report been considered by Council, actioned and minuted?	n/a	No recommendations made.
Councils that are Burial Authorities	Records of burials and EROBs tally with receipts?	n/a	
Councils with Allotments	Correct notice given of increases in fees?	n/a	
	Appropriate leases in place?	n/a	

* New Internal Control Objective O (Trust Funds become ICO P): "The authority has complied with laws, regulations & proper practices relating to digital and data compliance."

Per Pro Services Ltd

May 2026

Notes:

Village hall grant. Seems perverse to use council tax to pay council tax. Why is hall paying council tax? Suggest investigate. The 'no' for the Budget/Precept decisions and Income is a technical one. They are not correctly minuted.