

GOSFIELD PARISH COUNCIL INTERNAL AUDIT 2024/25

A Proper Bookkeeping

- Is the cash book maintained and up to date?
Yes. Cash book is updated monthly using Scribe.
- Is the cash book arithmetic correct?
Computerised accounting system (Scribe package)
- Is the cash book regularly balanced?
Computerised accounting system

B Financial Regulations, Standing Orders and Payment Controls

- Has the council formally adopted standing orders, financial regulations and a publication scheme?
Yes. Standing Orders, Financial Regulations and Publications Scheme were adopted at meeting on 20 May 2024 (minutes 24/087 & 24/088). Adoption of the new model financial regulations have been discussed throughout the year and deferred. [I recommend that the new model FR and SO are adopted in 2025/26](#)
- Has the council adopted other policies and procedures?
During the year the council adopted policies and procedures at its meetings on 20 May 2024 (minutes 24/087 & 24/088) and 19 August 2024 (minute 24/170). Adopted Policies and key documents are on the website. [Council Documents/Policies - Gosfield Parish Council \(e-voice.org.uk\)](#)
- Has a Responsible Financial Officer been appointed with specified duties?
Yes. Richard Edwards was appointed as RFO at the meeting on 20 May 2024 (minute 24/093).
- Have items or services been purchased in accordance with Financial Regs?
*Regulation 4.1 allows payments by the clerk of up to £1500 together with the chair and 4.5 allows payments of up to £500 by the clerk in cases of extreme risk to the delivery of council services. Regulation 11.1h can be summarised as - 3 estimates are required for amounts £100 to £3000; 3 quotes for amounts £3000 to £25,000; tender process for contracts over £25,000. This threshold agrees with section 18 of the SO.
During the year, budgets, estimates and quotes for below £3000 were agreed for a variety of purchases including tree works (24/104), beacon repair (24/146), SID (24/147), pond decking (24/273), polytunnel (24/278), play area repair (24/280), fairytale trail (25/014), bins (25/032), laptop (25/034).
There were no payments of over £25k ex VAT in the year, and 3 payments of over £3000 which had 3 fixed price quotes. Payments on 19/02/25 of £10465.90 and £4320 in respect of the bow top fencing (minutes 24/233 and 24/253) and payment on 19/02/25 of £4560 for petanque court (minutes 24/141.3, 24/168.3 and 24/184.10). A specification and tender brief for the car park project was finalised (minutes 24/141.3, 24/168.3, 24/228) and at the EGM on 4 November 2024 the 2 tenders received were opened and discussed. The tender price of £139219.64 was favoured with a suggested start date of Easter 2025 subject to receiving funding (minute 24/249.8).*
- Are payments in the cash book supported by invoices, authorised and minuted?
There is a Finance item in each month's minutes where a list of payments is approved. The list for approval is attached as an appendix to the minutes.

Invoices are validated on receipt by the chair and placed into the monthly folder. The weekend prior to the meeting, the chair enters the invoices onto the scribe system which creates a 'Payments awaiting authorisation list' attributing a number to each payment. The numbers are written on the source documents. The list and source documents are reviewed by the RFO who checks the VAT entries and account codes. The pack is scanned and emailed to councillors the day before the meeting. Three hard copy packs are taken to the meeting for councillors without email. At the meeting the payments are approved and the chair signs a hardcopy of the list in accordance with FR5.2. There are no other initials as evidence of scrutiny on the list or on the source documents. *During the audit we discussed whether the chair should be signing the payments list as she created it on scribe. It would be better if another councillor took on this role and also initialled the source documents against the payments list as evidence of scrutiny.* After approval at the meeting the chair sets up the payment on Barclays system and a second councillor, usually the vice chair, authorises release of the funds.

- Has VAT on payments been identified, recorded and reclaimed?
VAT on payments is shown in a separate column on the Listing of Payments by Code / cost centre report in Scribe. VAT on 2024/25 payments totals £5136.21. VAT refunds (account code 140) totalling £2998.09 received 06/01/25 is for the period 01/03/24 to 31/12/24. VAT for Jan to March 2025 will be reclaimed in 2025/26
- Is s137 expenditure separately recorded and within statutory limits?
Scribe s137 payments account code 910 has £310 being £60 for a Poppy wreath and £250 for WASC, but the council has the General Power of Competence (minute 24/086).

C Risk Management

- Does a scan of the minutes identify any unusual activity?
Neighbourhood Plan as a standing item most months. Acquiring parcels of land: Meadway development (24/073, 24/129, 24/219.4), Lodge Plantation (24/102, 24/219.1). Agreement with Playing Field Management committee (24/071, 24/103), Coronation Garden agreement (24/144), use of s 106 funds for allotment and play area (24/130, 24/149, 24/219.5), Reputational risk (24/261), Management Plan at nature reserve (24/249.9, 25/045.8), VE Day event (24/219.3).
- Do the minutes record the council carrying out a risk assessment?
Yes. A strategic risk assessment was adopted at the meeting 20 May 2024 (minutes 24/088). A suite of other risk assessments were approved at the same meeting for play area and playing field, footpaths and public benches (which overlap a little), cleaning the ha-ha ditch, litter picking and cleaning the pavilion toilet area, H&S at work (assessments and guidance for activities undertaken by staff and council volunteers), COSHH and a fire risk assessment for the pavilion and public toilet (public buildings).
- Is insurance cover appropriate and adequate?
Yes. Policy with Ansvar renewed 1 October 2024 (minute 24/193). Cover for public and products liability, employers' liability, trustee and director indemnity, personal accident, fidelity guarantee, reputational risk, legal expenses, and all risks insurance. Property Damage for Municipal Infrastructure (£435740 total cover for street furniture, play equipment, war memorials, gates and fences etc), the Pavilion building £746983, Tractor Shed £24900.

- Are internal financial controls documented and regularly reviewed?
Payment of invoices – All councillors receive the payments list and source documents but there are no marks on either as evidence of scrutiny. I can see from the minutes that there are on occasions questions about the payments which indicates that they are being reviewed (minutes 24/101.1, 24/218.1). *If the council wishes to strengthen its evidence of scrutiny, a councillor other than the chair or RFO, could initial source documents and items on the payments list to confirm that they have been reviewed and agreed.* In an electronic payments system we no longer have cheque counterfoils as referred to in FR6.5 but initials on the source document would serve the same evidence purpose.
Bank mandate and authority – Bank signatories were agreed at the meeting on 20 May 2024 (minutes 24/084). There are 3 councillors as signatories plus the clerk. The clerk does not set up payments: only uses access to view the accounts.
Review of bank recs and evidence of scrutiny against the bank statements – Bank reconciliations are prepared each month by the RFO and checked by the chair: quarterly reconciliations are minuted as approved at council meetings (e.g. minutes 24/069, 24/248, 25/009) and signed by the chair *NOTE that FR2.2 requires quarterly bank statements and bank reconciliations to be signed by a councillor who is not the chair or a signatory.*
Monitoring of actual v budget – The Scribe system prepares actual v budget reports which are reviewed as part of the precept setting. The RFO also prepares ad hoc reports of interest to councillors on fundraising events and expenditure from grants.
Internal controls over salary payments – Payroll is outsourced adding a layer of internal control to pay calculations
Cash handling – Small amounts of cash are handled for sale of maps, £21 collected by the shop and handed to the chair for banking at the post office.
Collection of all funds due to the council – Allotment rents: The 19 plot holders are invoiced in September. A separate spreadsheet records the plot number, plot size, name and rent due (based on plot size price per square metre) plus a contribution towards hedge cutting. The amount and date paid are recorded and o/s amounts chased. At the year-end the spreadsheet total is £744.09 and Scribe £826.19, the difference of £14.55 and £67.55 being o/s amounts from previous year.
Grapevine invoices: Regular advertisers are invoiced in April for the whole year. New advertisers are invoiced to 31 March 2025. There is a separate spreadsheet to record invoices issued to advertisers and to monitor receipts. The invoices for 2025/26 were issued prior to the year-end. The Scribe total of £4804.34 relates to 2024/25 invoices £2317 and 2025/26 of £2527
Project management and Safeguarding assets – A standing item on the agenda for matters arising is used as a project tracker to follow up on actions raised in previous minutes with meeting references. Working groups were appointed last year to inspect assets, and the monthly spreadsheets that they complete are handed to the clerk at each meeting. Records are complete for inspections of benches but not for play areas. At the meeting on 17 March 2025 the council confirmed appointment of BDC to undertake weekly play equipment inspections. Minutes show that trees and the nature reserve are inspected.

- Are all risks identified and actions undertaken to mitigate risks?
The strategic risk register has columns for risk level, description of the identified risk, and management of risk and actions taken. The assessment is comprehensive in scope. The minutes include confirmation of actions being undertaken e.g., ROSPA report (24/127), tree survey (25/016), training (25/031). An agreement has been signed this year with the Playing Field Management Committee for remainder of the pavilion building and playing field land with some specific exclusions. Under the agreement the council insures the building and the PFMC pays for the costs of running the building. The council has paid for the fire equipment servicing which in future will be the responsibility of PFMC. I recommend meeting with PFMC to satisfy your selves that the organisation is aware of the statutory requirements of managing a community building, the need to undertake a fire risk assessment and to action the mitigation measures. In future years it would be prudent to request sight of the fire risk assessment from both PFMC and the Community Shop as tenants of the building that the council insures. An agreement has also been signed with the Coronation Garden to clarify responsibility for activities on that land for insurance purposes.

D Budgetary Controls

- Has the council prepared an annual budget in support of its precept?
There were detailed discussions at the Finance Working Group meeting on 2 January 2025. At the meeting on 20 January 2025 the council agreed and a budget and precept of £50090 (minute 25/008).
- Is actual expenditure against the budget reported to the council?
A summary of Actual Income and Expenditure from the excel spreadsheets was used at the finance working group meeting on 2 January 2025 as a basis for precept deliberations (figures taken from the Scribe reports and presented in a format familiar to councillors with columns for 2024/25 budget, expected spend, draft for 2025/26 and explanatory notes in the right-hand column). The budget includes amounts to build reserves for the car park project, fencing project and Nature Reserve. Expenditure from grants is specifically monitored to enable reporting to the funders (e.g. minute 24/101.2).
- Are there any significant unexplained variances from budget?
Overall, the total reserves (including the investment) have increased by £4104. In general, another well-controlled year. At the year-end £46583 of the total reserves of £72267 are earmarked. This is a mix of grants held for restricted purposes (NP, VE Day), EMR for council contingencies (election, locum, legal fees), and funds for council projects or sinking funds (pavilion, Streetlight replacement, Nature reserve, trees, play area, Car Park, Fencing).

E Income Controls

- Does the council have sources of income other than precept and VAT?
BDC Street Scene, Grass cutting contracts (Eastlight & ECC), Grapevine advertising, Allotment plot fees, pavilion electricity refund, contributions towards pavilion water bills, grants (for VE Day event, fence, petanque court, play area, NP), donations re Golf Day, sale of maps, and interest. Separate summaries are kept for events

- Is income properly recorded and promptly banked?
Most income is received by direct credit. Allotment plot fees are very rarely paid by cheque and banked at the post office as soon as practical. Small amounts of cash have been received for sales of maps.
- Does the precept recorded in the cash book agree to the district council's notification?
Yes. Precept total £44499 received as £22250 in April and £22249 in September 2024.
- Are security controls over cash adequate and effective
The only cash handled relates to sales of maps. Amounts are minimal and held securely until banked.

F Petty Cash No Petty cash is held.

G Payroll Controls

- Do salaries paid agree with those approved by the council?
Yes. The clerk works 13 hours per week on SCP17. The council also employs a cleaner and a litter picker on minimum wage, and they are paid for the hours worked. NJC pay awards and back pay for 2024/25 were noted at the personnel meeting on 14 October 2024 (minute 24/218) as paid in September 2024. The backpay is calculated before sending to the payroll provider. AGAR box 4 is the sum of Scribe account codes 210 (staff net pay) and 250 (PAYE & NI). Code 260 (Pension) is zero.
- Are other payments to the clerk reasonable and approved by the council?
Yes. The clerk, cleaner and litter picker can claim reimbursement for items such as ink, paper, stamps, envelopes, cleaning materials etc which is paid separately from salary.
- Has PAYE / NIC and pensions been properly operated by the council as an employer?
Payroll is operated by an external payroll provider, Richard Edwards Group. The chair sends an email to confirm the hours worked and gross pay each month. Clerk has opted out of the pension scheme and other staff have not opted in.
- What controls exist over management of staff time and duties?
Clerk appraisal was undertaken by the Personnel committee on 14 October 2024 (minute 24/217) and the cleaner and litter picker at the same meeting (24/216). The clerk supervises the cleaner and litter picker. All staff keep time sheets which go to the chair. Throughout the year clerk has regular 1:1s with the chair. Peaks and troughs in workload are mostly managed within the weekly hours.

H Asset Control

- Does the council keep an asset register of all material assets owned?
Yes. The Register is kept as an excel file. It is an accumulation of asset acquisitions since 31 March 2011 and over the years the costs have been replaced with insurance values at different times. During the year the assets have been added to the Scribe asset register but it is still a work in progress.
- Is the register regularly updated?
Asset register is updated at the year-end to pick up all the capital expenditure in the year. Opening balance £566563.88. PKF requires the opening balance to be restated to include the Cambridge & Counties 2 year bond as an

investment so the revised opening balance is £586563.88. Purchases total £20180.23 (Fencing £10465.90 plus installation £4320, petanque Court £4560, Laptop £451, Brushcutter £383.33), disposals/ prior year adjustment total £1350.47(2 x laptops £325 and £431.34), newspaper stand £415 and refrigerator £364.13), and removal of the £20000 investment as the bond now matures within 1 year. Closing balance £585208.54.

- Do asset insurance valuations agree with those in the asset register?
There are no insurance values on the asset register. In conversation with the chair and RFO, a total loss valuation for the pavilion has been calculated and the insurance cover of £746983 is sufficient. The cover for the tractor shed is £24,900 and Municipal infrastructure (play equipment, street furniture, war memorial, fences contents and equipment, etc.) is £435740. The chair and RFO are satisfied with these levels of cover. Without insurance reinstatement costs alongside each of the asset items in the register, I am not in a position to make an assessment.

I Bank Reconciliation

- Is there a bank rec for each account?
Yes. One reconciliation covers the 4 bank accounts (Barclays current account, Barclays deposit account, Cambridge & Counties 95-day notice account and Cambridge & Counties 2 year bond). PKF directed that the 2 year bond had to be shown as an investment (Box 9) at the start of the year so the opening Box 7 & 8 has been restated (reduced by £20,000). At this year end, the bond matures in less than 12 months so the £20,000 included in bank balances at 31/03/25.
- Is the bank rec carried out regularly on receipt of statements?
Yes. Every month as soon as the statements arrive.
- Are there any unexplained balancing entries in any reconciliation? *No.*

J Year End Procedures

- Are year end accounts prepared on the correct accounting basis (R & P / I & E)? *Yes. R & P basis*
- Do accounts agree with the cash book and working papers?
Yes. All cross check
- Is there an audit trail from underlying financial records to the accounts?
Yes. Source documents are numbered to correspond to entries on the Invoice Control spreadsheet
- Where appropriate, have debtors and creditors been properly recorded?
Not required for R&P.

K Council Exempting itself from a limited assurance review

- Did the council meet the criteria?
No. Gross income and gross expenditure in 2023/24 exceeded £25000.
- Did the council exempt itself from the review? *N/A*
- Was the exemption certified at a meeting? *N/A*
- Was the appropriate notice displayed? *N/A*

L Web page Publication

The authority publishes information on a website/webpage, up to date at the time of the internal audit, in accordance with the relevant legislation.

Payments appended to the minutes.

M Public Rights in Summer 2024

The council agreed the dates for the period for the Exercise of Public Rights commencing 24 June 2024 and ending 2 August 2024 and displayed the notice [public-rights-2024](#)

N Publication of Annual Return 2023/24

The authority has complied with the publication requirements for 2023/24 AGAR (see AGAR Page 1 Guidance Notes).

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O Trustees

- If the council is a trustee, has it met its responsibilities?
Not applicable. Gosfield PC is not a sole trustee.

Jan Stobart, FCCA
11 June 2025