



 **Price Bailey**
CHARTERED ACCOUNTANTS

Taverham Parish Council

AGAR Financial Controls Review 2025-26

Internal Scrutiny Report

May 2026

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1 Introduction and Approach

- 1.1 This audit was completed in accordance with the Letter of Engagement, dated 30 May 2023 and approved by the Council. This audit was undertaken in line with the suggested approach from NALC, as reflected in the table of findings.
- 1.2 We have reviewed the expected financial controls and as part of that, the recommendations made in the previous audit reviews.
- 1.3 The work was undertaken in accordance with the terms of reference. The results of our work should assist in providing assurance on the key controls relating to the key areas of income, expenditure, banking, ledger reconciliation, access controls, risks management and provision of financial information.
- 1.4 Following the completion of the review and issue of this report, we will complete and sign off the Internal Audit aspects of the AGAR for the period covering 1 April 2025 to 31 March 2026.

2 General Disclaimer

- 2.1 The content of this report is confidential and not for distribution to anyone other than Taverham Parish Council. Disclosure to third parties cannot be made without the written consent of Price Bailey LLP.

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3 Findings

Assurance Level	Summary
 Amber/Green	Weaknesses have been identified in the control framework or non-compliance which may put achievement of some system objectives at risk. Remedial action is required.

Key control areas considered	Evidence seen/tested	Conclusion
Organisation/systems background		
Prevailing Council guidance, agreed procedures and authority levels in place	The Financial Regulations were updated in December 2025 and approved by the Council. No further amendments have been made in 2025/26. The Council adopts the National Association of Local Councils (NALC) model standing orders. We reviewed the documents and links to these documents held on the Council Website and concluded that they appropriately cover the required areas and provide sufficient guidance on key controls.	The Council's guidance, procedures and delegated authority levels are appropriate and fit for purpose.
Reporting the business of the Council	A Full Council Meeting is held monthly, advertised on notice boards and the website, and open to the public.	The Council's business is reported accurately.
Up to date information is published on the Council's website.	We have reviewed all minutes and agendas for all Committees and Full Council Meetings for the last 12 months and confirmed with the exception of one, they are accessible through the Council's website. Minutes which were not available, were for the 9 th February 2026 Woodlands committee meeting at the time of review. The website also provides news, additional information regarding the Council, as well as details on the services offered.	Council meeting documentation is largely accessible via the website, with one set of minutes unavailable during the period reviewed. (Recommendation 1, Low)
The authority complied with the publication requirements for the prior year AGAR.	We have checked the Council's website and confirmed that the statutory publication requirements in respect of the prior year's AGAR have been met. Specifically, the published AGAR includes: (i) Section 1 – Annual Governance Statement 2024/25 (approved and signed, page 4); (ii) Section 2 – Accounting Statements 2024/25 (approved and signed, page 5); and (iii) Section 3 – External Auditor Report and Certificate.	Evidence reviewed confirms that the required documentation was published appropriately and in accordance with the relevant regulations.

The Council has demonstrated that during 2025/26 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	We have verified with staff and through a review of the Council's website that the public has complete access, including receiving meeting notifications, attending meetings, using public notice boards, accessing Council offices, finding advertised meetings and monthly minutes on the website, and viewing year-end accounts as well as the AGAR.	The Council has met the requirement to make proper provision for the exercise of public rights during the 2025/26 financial year.
The Council has complied with laws, regulations and proper practices relating to digital and data compliance.	The Council has a draft Data Protection Policy which is due to be reviewed and approved on the 11th May 2026. However, a complete and compliant Privacy Notice has not been clearly documented. Key transparency information required under Articles 13 and 14 UK GDPR, including Data Controller contact details, lawful basis for processing, individual rights, and ICO complaint rights, is not fully or clearly presented across the documentation. Councillors have access to relevant data protection training through ICO online resources and external providers, including Norfolk Parish Training and Support.	The Council has a draft Data Protection Policy pending approval; however, a clear and compliant Privacy Notice has not been established. Key transparency information required under UK GDPR, including data controller details, lawful basis for processing, individual rights, and ICO complaint rights, is not fully documented. (Recommendation 2, Medium)
Accounting Statements		
Appropriate accounting records have been properly kept throughout the year	Based on our review of income, expenditure, bank reconciliations, and budgeting, we have found no discrepancies or concerns within the accounting records for the year.	Arrangements are in place to ensure that appropriate accounting records are maintained.
The accounting statements are prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors properly recorded.	The accounting statements have been prepared using the appropriate accounting basis and are fully reconciled with the cashbook. Our review has confirmed this accuracy, and a comprehensive audit trail has been documented.	The accounting statements are prepared on an appropriate basis and are supported by an adequate audit trail.
Income and debtors		
Income due to the organisation is properly identified, allocated or accounted for.	Based on our review of the income transactions sampled, all items were accurately recorded and promptly deposited.	All income due is promptly identified, accounted for, captured, recorded and banked.

Income is fully accounted for within the ledger in accordance with the financial regulations.	Invoices are raised manually by the Assistant Clerk, once raised these are provided to the RFO for input onto the system. Deposits are taken, and payment is due before the hire of the hall. Allotments are monitored by the RFO annually in April when due for renewal. Samples of Allotments and Hall Hire have been reviewed within income testing and were appropriate. All hires are given a unique number to be able to track, and additional controls are in place for first time/newer hirers. All tested income was accurately recorded in the accounting software and matched supporting invoices. No issues were found with income accounting.	Income is fully accounted for in accordance with the financial regulations.
Debtors are promptly monitored and effectively followed up	Debtors are contacted initially through email and written correspondence, with phone calls by the Assistant Clerk or RFO as a final measure. The Council maintains a debtor register, which is regularly monitored. At year end, there were no bad debt write offs. A year end debtors list was provided which had debtors totalling £10,001.27 however, many of these related to hall hires and a VAT refund which all related to the period January - March 2026. One debt for Norfolk County Council related to March 2025 and March 2026. The RFO advised this is due to a contract query which is being investigated. Communication with the council is ongoing.	Debtors are pursued through written, email, and telephone contact, with a regularly monitored debtor register in place. Year-end debtors totalled £10,001.27, primarily relating to March 2026 items, with one older balance under ongoing query with Norfolk County Council. (Recommendation 3, Low)
Ensure that appropriate controls and systems are maintained for allotments, burials and hall hire.	The RFO provided the April 2025 allotment holders register. Within the register there is evidence of contact details, date the signed agreement was received, the date and method of payment and whether the individuals are on the waiting list. The list also includes a list of individuals on the wait list. The Assistant Clerk maintains a paper diary for all Hall Hires. At the start of each year once all regular hirers have confirmed their continuation the dates and times are recorded for the year. Any ad-hoc hires are added throughout the year when requested. The diary is kept in the desk within the office so can be accessed by other staff members if the Assistant Clerk is not available. Invoices are raised by the Assistant Clerk/RFO and reviewed on a weekly basis, any outstanding payments will be chased by email or phone. If payment has not been made prior to the booking, the booking will be cancelled. The Council does not maintain any burial facilities.	The Council maintains structured records for allotment holders and hall bookings, with controlled processes for invoicing, payment monitoring, and access to booking information. No burial services are operated.

Ordering, purchasing and payments		
The use of new suppliers and changes to current suppliers details is appropriately controlled	During the year, 11 new suppliers were added. The Council requires a new supplier form to be completed, with details verified by the RFO via email or telephone and confirmation of the checks recorded on the form. The form and supporting details are then reviewed by the Clerk before being input onto the system. The form does not currently detail if an IR35 check is relevant or has been completed. The Clerk advised an IR35 check is completed for long term contracts, not for one-off expense, the HMRC results page is printed as evidence of the result. This approach to IR35 is inconsistent with HMRC requirements, which require IR35 assessments to be undertaken for all relevant engagements involving individuals operating through intermediaries, regardless of contract duration. During review of the information provided for new suppliers in the 2025/26 year, there were some discrepancies identified with VAT numbers provided and either the addresses listed or business names.	New supplier processes are in place and generally followed; however, IR35 considerations are not embedded and assessments are limited to long-term contracts, resulting in non-compliance with HMRC requirements. In addition, inconsistencies in VAT number validation indicate that supplier verification controls are not consistently applied. (Recommendation 4, Medium)
Purchase orders are authorised in line with financial standing orders and delegated financial limits	Purchase orders are not required as per the Financial Regulations which covers the ordering process. Our expenditure sample confirmed that orders are not raised. The RFO advised if there is a larger purchase, approval of these purchases will be held within Council minutes. All other purchase authorisation is maintained via emails, or are purchased with authorised suppliers.	Purchase controls are operating in line with Financial Regulations, with authorisation evidenced through Council minutes for significant spend and through emails or established supplier arrangements for routine purchases.
The use of any purchasing/credit cards is appropriately controlled.	The Council does not have use of any purchasing/credit cards.	N/A
Goods and services received are checked and agreed to original orders and any delivery notes	The RFO advised that most invoices relate to services rather than goods. While invoices are not formally date-stamped on receipt, the RFO undertakes a manual review against expected purchases, with any discrepancies followed up directly with suppliers, typically via email. Services are checked by the RFO and Clerk before the invoice will be added to the approval list. If any goods are received, these are checked against the invoice.	Goods and services are checked and agreed appropriately.
Purchase invoices are supported by and matched to original orders	Invoices are processed by the RFO, with support from the Clerk, and included on the payment list for approval by the Full Council.	Appropriate controls are in place over the processing of purchase invoices.

prior to payment, unless valid reasons can be given	Our sample confirmed that all invoices reviewed had appropriate authorisation evidenced within Council minutes.	
Procedures are in place for formal tenders and quotes, ensuring they are in line with the Standing Orders and Financial Regulations.	Financial Regulations require attempts to obtain three estimates for purchases between £1,000 and £3,000, three quotes for purchases between £3,000 and £25,000, and a formal tender process for contracts over £25,000. No tenders were undertaken during the year. Our testing found that, where quotes would typically be expected, purchases were either with preferred pre-approved contractors for necessary works or fell under existing contracts, and therefore no evidence of quotes being obtained was available. This was deemed reasonable in our sample selected.	Appropriate controls are in place over the processing of quotes and tenders.
Expenditure recording		
Expenditure is completely and accurately recorded in the accounting system	The RFO is responsible for posting financial transactions to the finance system. Our testing confirmed that all sampled expenditure was accurately recorded.	Expenditure is completely and accurately recorded.
Expenditure is authorised in accordance with the scheme of delegated authority in standing orders	Expenditure follows an authorisation hierarchy: under £500 and within agreed budget and up to £2,500 in cases of serious risk to the delivery of council services or to public safety on council premises can be authorised by the Clerk and RFO. All other payments should be authorised by the Full Council meetings. From our sample all purchases were authorised within Council minutes.	Expenditure is authorised in line with the Financial Regulations.
Any payments made to staff are appropriately reviewed and authorised	Staff expense claims follow an established authorisation process consistent with standard expenditure procedures, with claim forms completed by employees, authorised by two councillors, and subsequently approved at the next Full Council meeting. Our review of a sample of seven claims confirmed that all were appropriately completed and authorised. Supporting receipts were provided in all instances except for mileage-only claims; however, two receipts were in euros, and the full amounts were claimed without conversion to sterling, resulting in a small overpayment of £3.04 based on Bank of England rates at the invoice dates.	Controls over staff expense claims are generally operating, although foreign currency claims were not converted, resulting in a minor overpayment. (Recommendation 5, Low)
Creditors are adequately monitored and controlled	BACS payment runs are processed on a monthly basis. Payments are set up by the RFO following approval at Full Council meetings. The banking system operates a dual-authorisation process. Three councillors, with an additional councillor currently being	Creditors are adequately monitored and controlled.

	set up, are set up as potential approvers however, operationally the RFO and Clerk authorise each payment run following Full Council approval which is documented in relevant minutes. At year end there was a creditor balance of £27,119.57 outstanding however, these all related to March 2026 and any unpaid balances are included by the RFO in the subsequent monthly BACS payment run.	
Cash handling and bank accounts		
Access to cash and banking facilities is appropriately restricted to key individuals	Access to the Council's banking facilities is restricted to the RFO acting as limited access user, with currently 3 Councillors as cheque signatories. This arrangement is appropriate and supports the secure and effective processing of financial transactions.	Access to banking facilities is appropriately restricted to key individuals.
Appropriate banking accounting records have been properly kept throughout the year and bankings are undertaken promptly and securely	Cash handling procedures are set out within the Financial Regulations, which are publicly available on the Council's website. If 'significant sums' of cash are received during the year, the RFO shall ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control record such as ticket issues, and that appropriate care is taken for the security and safety of individuals banking such cash. There are appropriate safeguards onsite to store cash overnight if needed in a locked unit. Income is predominantly received via electronic means however, cash and cheque receipts are common for hall hires and allotment fees. Where cheques are received, they are electronically added through online banking by the RFO. Where cash is received, it is recorded on a paying-in slip and banked by the RFO at the post office promptly. We tested a sample of income transactions and agreed each item to the bank statement. In all cases, amounts were corroborated by invoices and were accurately recorded in the accounting system. We have also ensured the correct roll forward of the prior year cashbook balances to the new financial year.	Appropriate banking accounting records have been kept.
Periodic bank account reconciliations were properly carried out during the year and independently reviewed	Bank reconciliations are prepared monthly by the RFO and the bank reconciliation Cash Book is issued to the Council. A councillor also completes the monthly internal audit checklist, which includes review of the bank reconciliations and minutes confirm this review is discussed at the Council meetings. We sampled and reviewed four bank reconciliations for the year, together with the corresponding internal audit checklist reports. These confirm	Bank reconciliations are performed regularly and subject to independent review.

	that the reconciliations were completed and reviewed as expected, with confirmation from the Chair that the reconciliations had been undertaken.	
Verify the accuracy of the year-end bank reconciliation detail and ensure accurate disclosure of the combined cash and bank balances in the AGAR, section 2, line 8.	The year-end bank reconciliation has been reviewed for accuracy, and the combined cash and bank balances have been confirmed as correctly disclosed in Section 2, Line 8 of the AGAR.	Bank reconciliations are accurately performed and disclosed.
Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy.	A review of the Council's website and financial regulations identified no standalone investment policy or investment strategy. The SAPPP Practitioners' Guide 2025 advises where an authority has bank balances in excess off £100,000 an appropriate investment strategy is in place.	The Council does not have a standalone investment policy or strategy in place. (Recommendation 6, Low)
Petty cash		
The use of petty cash is appropriately controlled and regularly reviewed.	Petty cash is in operation and used for minor purchases, including fuel. A float of £150 is maintained and replenished monthly. Our sample of petty cash expenditure across the year found that receipts were retained for all transactions except one grocery purchase for £3.27. All cheques issued to top up the float were authorised at Council meetings. Petty cash is reconciled by the RFO on a monthly basis and reviewed every four months by a councillor and evidenced through the Internal Audit checklist. Evidence of the internal check was completed in June 2025, October 2025 and February 2026.	Petty cash controls are operating effectively, with appropriate authorisation, record keeping, and independent review in place, except for one instance of a missing receipt. (Recommendation 7, Low)
Access controls		
Physical and IT access to the local recording system and centrally held ledgers, is appropriately controlled in line with access permissions and password protocols	The RFO and Clerk have full access to the accounting software. All system access is password-protected and subject to two-factor authentication. The office is located within the village hall and has a controlled access environment. A fob entry system, introduced in 2025, restricts access to authorised individuals, with all office doors kept locked at all times. Fobs are limited to three office staff and the village hall secretary, strengthening access control arrangements. Additional physical security measures are in place, including CCTV coverage of the hall, secure storage of laptops within the locked office, and a window that is internally locked and protected by steel bars.	Physical and IT access to the local recording system and centrally held ledgers, are appropriately controlled.

VAT		
VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements.	VAT reports are generated using the Edge accounting system. VAT submissions are completed by the RFO on a quarterly basis. We reviewed the last four VAT reports and confirmed that they were prepared accurately and submitted on a timely basis. Payments received agreed to both the ledger and the VAT reports. There is currently no review of the VAT returns by anyone more senior than the RFO.	VAT returns are prepared accurately and submitted on a timely basis, with all amounts agreeing to the underlying ledger and reports. However, there is no independent review of VAT submissions above the RFO level. (Recommendation 8, Low)
Risk Management		
Significant risks are identified and controls in place to manage these	A Financial Risk Assessment and Management Policy last reviewed in December 2025. The register identifies key risks relevant to the Council and assigns risk ratings of low, medium or high to help highlight areas of greater significance. We reviewed the risk register and confirmed that it provides appropriate oversight of the risks facing the Council, including the control measures currently in place and planned actions to further mitigate those risks.	Significant risks are identified, and appropriate controls are in place to mitigate them.
Appropriate insurance arrangements are in place	The Council's insurance policy schedule has been reviewed and appropriate insurance cover is in place, including property, money, business interruption, employers' liability, public liability, fidelity guarantee, libel and slander, and personal accident. The levels of cover are considered adequate for the Council's activities based on the policy schedule in place. During the year, no new insurance claims were made however, there is one outstanding claim relating to 2022 which is still ongoing. We also confirmed that there was no gap in insurance cover during the year, despite an update of the policy, and cover remained continuous throughout the period.	Appropriate insurance policies are in place to cover the Council's activities.
Appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches	Appropriate monitoring arrangements are in place for play areas and sports facilities, including twice-yearly risk inspections and weekly Ranger checks. The swings in one playground remain closed pending replacement and one of three tennis courts is currently out of use due to unresolved root growth, indicating issues are identified promptly.	Appropriate arrangements are in place.
Borrowing and lending		
Ensure that the authority has sought and obtained appropriate	The Council did not have any loans during the year.	N/A

UK Debt Management Office approval for all loans acquired.		
Ensured that the authority has accounted for the loan appropriately (i.e., recorded the full value of the loan, any arrangement fee should be regarded as an admin expense) in the year of receipt.	The Council did not have any loans during the year.	N/A
Ensure that the combined principal loan repayment and interest for the year is correctly recorded in the AGAR at section 2 line 5.	The Council did not have any loans during the year.	N/A
Ensure that the outstanding loan liability as at 31 st March each year is correctly recorded in the AGAR at section 2, line 10 (value should be verified from the lender and verification provided to the IA by the clerk/RFO).	The Council did not have any loans during the year.	N/A
Asset Register		
Asset and investments registers were complete and accurate and properly maintained.	The Council maintains a manual asset register, a new electronic version is due to be set up during 2026/27. New asset purchases are added as they arise, which we have confirmed through a review of the fixed asset register. Although in practice, there are a few additions during the year. As the Council does not hold investments, a separate investment register is not required. The asset value reported in Section 2, Line 9 of the AGAR has been agreed to the prior year reported value, adjusted for the nominal value of additions and disposals during the year.	The asset register is complete and accurate.
Contracts Register		
Contracts register is in place and captures all contacts.	A contracts register has been implemented and reviewed. It appropriately records all contracts, including key dates, liaison, fixed or variable contract length and purpose. The register is considered suitable for the council's needs, and no issues were identified.	The contracts register is complete and accurate.

Budgetary Control		
An adequate budgetary process where progress against budget is regularly monitored and reserves appropriate	Minutes for all committees noted 'The current budget picture was received.' Evidencing some form of review and oversight. The RFO provided a copy of the budget reports which are shared with committees; this includes full year budget to year to date, forecast expenditure and projected year end balances for all expenditure. On a monthly basis the RFO produces a full budget picture document for the Full Council Meetings. This includes the main council and committee budgets including full year budget, year to date spend, expected expenditure and budget remaining.	An adequate budgetary process is in place and is subject to regular monitoring.
Annual precept for next year has been approved by the Full Council in minutes.	<u>2025/26 Budget</u> The Recreation and Sports and approved their respective budgets in December 2024, with the Woodlands Committee completing its review in January 2025. The Full Council subsequently considered and approved the consolidated 2025/26 budget at the Estimates Meeting held on 27th January 2025, as evidenced in the meeting minutes. <u>2026/27 Budget</u> For the 2026/27 budget, the Recreation and Sports Committees agreed the draft budget on the 15th December 2025, the Woodland Committee approved the draft budget on the 12th January 2026. Both minutes were noted by the Full Council on the 12th January 2026. The Council approved the full 2026/27 budget on the 26th January 2026.	There are adequate arrangements in place for the timely review and approval of the annual budget.
Salaries to employees and allowances to members		
Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	Payroll processing is outsourced to SGW Payroll. PAYE and National Insurance liabilities are calculated by SGW Payroll and settled by the Council in accordance with their instructions. The Council employs six salaried members of staff: the Responsible Financial Officer (RFO), the Parish Clerk, the Assistant Parish Clerk, Ranger, Weekend Warden and Cleaner. All employees have formal contracts in place with the Council, which we confirmed through review. During the year, a standard salary increase was applied to all staff, and select staff increased scale point.	Salary increases, including standard uplifts and scale point progression, were applied during the year without formal approval or documented evidence in Council minutes. (Recommendation 9, Medium) Employee salaries were paid with approval, complying with PAYE and NI regulations.

	There are no minutes of the Council or subsequent committees which support any formal approval of this. The RFO advised pay awards are not specifically reported to the Council. Historically it was accepted National Minimum Wage increases must be made and certain staff members were on scale points and any agreed increases would be implemented. PAYE and National Insurance obligations are administered by the Council's payroll provider. Following a sample testing of payroll deductions, we confirmed that PAYE and National Insurance are being accurately calculated. Overtime is recorded through additional hours forms, which are completed and submitted on a monthly basis. Once submitted, the forms are reviewed and authorised by the Clerk before being passed to the RFO for submission to payroll. Our review of these forms confirmed that they were completed in a timely manner, with appropriate authorisation evidenced from the Clerk and final sign-off by the RFO. We also confirmed that neither the RFO or Clerk claimed any overtime during the period under review. The RFO confirmed there have been no payments made to members or councillors during the year under review.	
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4 Follow up of previous recommendations 2024/25

Finding	Risk	Recommendation	Priority	2025/26 Progress
1. <u>Reviewing Policies</u> The Financial Regulations and Standing orders remain the same from 2023. They were due for review in November 2024, however this was postponed to June 2025. It is important that any amendments to the Financial Regulations and Standing Orders are processed promptly to guarantee adherence to proper procedures. For example, when reviewing the new supplier procedures implemented last year, this was not documented in the Financial Regulations.	Controls and procedures are not up to date. The absence of formal documentation of appropriate regulations may expose the Council to risks of non-compliance.	We recommend avoiding long intervals between reviews. We understand from discussion that the Financial Regulations are due to be reviewed by the Council in June 2025. We recommend that the Council ensure all updates are applied accordingly where there have been changes to procedures, without delay.		Implemented The Financial Regulations and Standing Orders have been updated and approved by the Council in December 2025. The RFO advised additional meetings are now being held in order for policy to be reviewed on a more frequent basis, and as required.
2. <u>Website Links</u> Upon review, we identified that some links on the website were not functioning as expected. The 'Finance' page had many headings and placeholders without linked documents. On the 'Documents' page, 'Standing Orders' were mistakenly linked to the Child Protection Policy.	Information presented to the public is not available.	The Council should review the 'Documents' and 'Finance' pages of the website and ensure all documents are correctly linked.		This is still ongoing, historic documentation is still missing with two sets of minutes for the current year also missing. The RFO advised that further documentation needs to be included on the website. It was intended to be completed by now but due to time constraints/part-time working delays have occurred. This is a priority and will be completed as soon as possible.
3. <u>Physical Access Restrictions</u> The desk that is used to store the petty cash float, as well as any cheque or cash income, is left unlocked, as it is deemed cheaper to replace the cash over fixing the desk should anyone try and damage it to break in. Whilst this is an understandable reason for doing so it	Theft of cash. If cash or cheques are stored there before banking, the amount could exceed the desk's value.	To evaluate suitable preventative measures for enhancing the safeguarding of cash.		Implemented The RFO's desk cupboard where the Petty Cash is held has been repaired.

Finding	Risk	Recommendation	Priority	2025/26 Progress
leaves no preventative measures from someone pilfering the petty cash. Also, with there being no lock there would be no evidence of someone breaking in, which could mean it could go un-noticed for up to a month before the petty cash reconciliation is performed. Whilst the desk is kept in a locked office when unattended, it still leaves the cash open to anyone, including staff.				Petty Cash is now in a locked drawer of the RFO's desk cupboard.
4. <u>Bank Reconciliation</u> The bank reconciliations are being performed and reconciled regularly by the RFO, however we noted that for the last three months (Jan, Feb, Mar 2025) these weren't reviewed by the Chair as required on the bank reconciliation form. Furthermore, section 2.2 of the Financial Statements states "On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Chairman [or a cheque signatory] shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO." This did not happen for the last quarter we reviewed.	Not following controls could allow for misstatements of accounts or undetected fraud.	Ensure each monthly bank reconciliation is reviewed by the Chair and this is evidenced on the bank reconciliation form. Ensure compliance with Financial Regulations by having a non-signatory verify the bank reconciliation quarterly and annually.		Implemented Bank reconciliations are completed on a monthly basis and reviewed by a Councillor within a timely manner. This is evidenced by the Internal Audit checklist which is signed and dated by the Councillor.
5. <u>New Supplier Checks</u> The Council has implemented new supplier procedures, however the forms do not evidence a second reviewer which is recommended.	Inadequate segregation of duties can result in the setup of incorrect supplier details and the addition of false suppliers.	Including a second reviewer on the new supplier form is recommended to ensure proper segregation of duties.		Implemented The new supplier forms now include a section to be signed by the RFO and Clerk to evidence two individuals reviewing the new supplier information.
6. <u>Financial and Management Risk Assessment</u> Following discussions with the RFO we noted that the Financial and Management Risk Assessment was	Incorrect information feeding into the Council's	Schedule to update the Financial and Management Risk Assessment to demonstrate that there are three laptops		Implemented

Finding	Risk	Recommendation	Priority	2025/26 Progress
outdated in relation to the number and nature of office laptop users.	risk assessment and management policy.	in the office, one for each of the office staff with unique login and password access. It is advisable to review the entire assessment to confirm all elements are current.		The Financial and Risk Management has been amended to reflect the three laptops. The Financial and Risk Management Assessment was reviewed in November 2025, and recommendations were adopted at the 8th December 2025 meeting.

5 Recommendations 2025/26

No.	Finding	Risk	Recommendation	Priority	Committee/ management response	Responsible Owner	Proposed target date
1	Minutes for the 9 th February 2026 Woodlands Committee minutes were not available on the Council website, at the time of review.	This results in a gap in governance transparency and limits visibility over key decisions and oversight activity, reducing accountability.	The Councillors should ensure that approved minutes for all Council and committee meetings are published on the website in a timely and consistent manner, with periodic checks to confirm completeness.		It is normal practice for all minutes to be published on the website once they have been completed. This instance was a momentary administrative error.	Clerk / Assistant Clerk	The established process is usually followed consistently.
2	A draft Data Protection Policy is in place and scheduled for approval; however, supporting documentation does not yet fully meet UK GDPR transparency requirements. In particular, a complete Privacy Notice is not clearly defined, with key Article 13 and 14 information not consistently presented.	A gap in statutory transparency and compliance which limits visibility over how personal data is processed, increasing the risk of regulatory non-compliance.	The Councillors should finalise and approve a fully compliant Data Protection Policy and Privacy Notice aligned to UK GDPR requirements and implement a structured data protection training programme to ensure staff understand their responsibilities and can evidence compliance.		A draft Data Protection Policy was presented to the Performance Review Meeting on 27 April 2026 for recommendation. The Policy was subsequently approved at the Annual Council Meeting held on 11 May 2026.	Clerk / Assistant Clerk	The Data Protection Policy was approved in May 2026 and is scheduled to be uploaded to the Council's website.
3	The year-end debtor balance of £10,001.27 largely comprised invoices raised in March 2026, with one older balance relating to Norfolk County Council spanning March 2025 and March 2026, arising from an unresolved contractual query.	This limits the timely recovery of outstanding income and increases the risk that older balances may become irrecoverable if disputes are not resolved promptly.	The RFO should ensure that the outstanding Norfolk County Council balance is resolved in a timely manner and that aged debtor balances are subject to formal review and escalation procedures, particularly where contractual disputes arise.		Norfolk County Council typically takes longer than other organisations to settle this annual invoice. On this occasion, they disputed several of the charges, and the RFO entered into discussions regarding the	RFO	Payment was received on 10 April 2026.

No.	Finding	Risk	Recommendation	Priority	Committee/ management response	Responsible Owner	Proposed target date
					Lease terms. After extended correspondence, the RFO confirmed the accuracy of the invoice, although the resolution took longer than expected.		
4	New supplier processes are in place and generally followed; however, IR35 considerations are not embedded and assessments are limited to long-term contracts, resulting in non-compliance with HMRC requirements. In addition, inconsistencies in VAT number validation indicate that supplier verification controls are not consistently applied.	There is a risk that the Council fails to identify and correctly assess off-payroll working arrangements and relies on inaccurate supplier data, resulting in non-compliance with HMRC requirements, incorrect VAT treatment, and potential financial or regulatory exposure.	The RFO should ensure that the new supplier process is strengthened to require documented consideration of IR35 status for all relevant engagements, irrespective of contract length, and that supplier validation checks (including VAT number verification against business name and address) are consistently completed and evidenced prior to supplier set-up. This aligns with the HMRC guidance for off-payroll working and supplier due diligence. Off-payroll working guidance HMRC VAT fraud – due diligence guidance		While the Clerk/RFO believed that the existing controls were adequate, the Internal Auditor has identified that further steps are required to demonstrate full compliance with HMRC guidance on IR35 and supplier due diligence. Names, addresses and VAT numbers were verified and matched against the authorised invoices received.	Clerk / RFO	The Clerk/RFO will enhance the new supplier process to ensure that all required checks are documented, evidenced, and applied consistently.
5	Two expense claims included receipts in euros that were reimbursed at face value without conversion to sterling, resulting in a minor overpayment of £3.04 based on Bank of England exchange rates at the transaction dates.	This limits assurance over the accuracy of expense reimbursements and could result in cumulative overpayments if foreign currency claims are not	The RFO and Councillors should ensure that all expense claims submitted in foreign currencies are converted to sterling using an appropriate exchange rate prior to reimbursement, with evidence of the rate used retained and checked as part of the approval process by councillors.		This was a genuine error, as purchases are normally made within the UK. The discrepancy was not identified by the RFO, Clerk or Councillors during the invoice-checking process.	RFO	Procedures will be strengthened to ensure any non-UK purchases are converted to sterling

No.	Finding	Risk	Recommendation	Priority	Committee/ management response	Responsible Owner	Proposed target date
		consistently converted using an approved exchange rate.					before processing, so similar errors are avoided.
6	The SAPPP Practitioners' Guide 2025 advises where an authority has bank balances in excess of £100,000 an appropriate investment strategy is in place. A review of the Council's website and financial regulations identified no standalone investment policy or investment strategy.	In the absence of a formal investment policy or strategy, surplus cash balances may not be managed in line with recognised good practice or risk appetite, increasing the risk of funds being placed insecurely, earning sub-optimal returns, or being exposed to liquidity, counterparty, or compliance risks. This may also result in non-compliance with the SAPPP Practitioners' Guide 2025 and reduce transparency and accountability over treasury management decisions.	The RFO and Councillors should consider adopting a simple, proportionate investment policy setting out the Council's approach to investments, including permitted investment types, risk appetite, decision-making responsibilities, and review arrangements. This would strengthen governance, support compliance with proper practice, and provide clear guidance should investment activity increase in future.		An Investment Policy was adopted in December 2023 and is now due for review. This is not currently published on the website.	Clerk / RFO	A reviewed Investment Policy will be prepared for the next Performance Review Meeting – November 2026.

No.	Finding	Risk	Recommendation	Priority	Committee/ management response	Responsible Owner	Proposed target date
7	Testing a sample of petty cash transactions across the year confirmed that receipts were retained for all items within our sample except one. This related to a grocery purchase for £3.27.	Increases the risk of error or misuse where expenditure is not fully supported by receipts.	The RFO should reinforce the requirement for receipts to be obtained and retained for all petty cash transactions.		A member of staff mislaid a petty cash receipt; however, visual evidence of the purchase was seen and verified (bottles of squash).	RFO	An immediate reminder has been issued to all staff that all receipts must be retained.
8	There is no independent review of VAT submissions above the RFO level.	With no independent oversight of VAT submissions this increases the risk that errors or omissions may go undetected, potentially resulting in financial loss or non-compliance with HMRC requirements.	The Councillors may wish to include a review of VAT submissions as part of the internal audit checklist completed by a councillor periodically.		The RFO discussed this matter with the Internal Auditor during the audit, following a query that had been raised. The RFO confirmed that it would be prudent to include this on the Internal Audit Checklist.	RFO	VAT submissions will be included on the Internal Audit Checklist on a quarterly basis, following completion of the VAT Return.
9	During the year, a standard salary increase was applied to all staff, with additional scale point increases awarded to selected employees. There was no evidence within Council or committee minutes to demonstrate formal approval of these pay awards. The RFO	This limits transparency and governance over remuneration decisions and increases the risk that pay awards are implemented without appropriate oversight,	The RFO should ensure that all staff pay awards, including across-the-board increases and scale point progression, are formally approved by the Council or an appropriately delegated committee and clearly minuted, to evidence oversight and strengthen accountability over payroll decisions.		It is normal practice for automatic pay rises, such as National Minimum Wage adjustments and relevant scale point increases, to be noted as Report Items in the Council minutes to ensure	Clerk / RFO	The National Minimum Wage increase effective from 1 April 2026 will be reported to

No.	Finding	Risk	Recommendation	Priority	Committee/ management response	Responsible Owner	Proposed target date
	advised that pay awards are not routinely reported to the Council and that, historically, increases have been implemented to reflect National Minimum Wage requirements and progression within established scale points.	formal approval, or a clear audit trail.			full transparency. This was an administrative error.		the Council at the meeting to be held on 13 July 2026. A note will be diarised to ensure this error does not occur in future.

Appendix A. Assurance and Priority Ratings

Recommendation Priority Ratings

Priority	Definition
 High	There is potential for financial loss, damage to reputation or loss of information. This may have implications for the achievement of business objectives and the recommendation should be actioned immediately.
 Medium	There is a need to strengthen internal control or enhance operational efficiency.
 Low	Internal Control should be strengthened, but there is little risk of material loss.
 Advisory	This is a point for future consideration to further enhance the control environment or further implement best practice.

Report Assurance Ratings

Assurance Level	Definition
 Green	There is a sound control framework in place to achieve system objectives and the controls to manage the risks audited are being consistently applied. There may be some weaknesses but these are relatively small or relate to attaining higher or best practice standards.
 Amber/Green	Weaknesses have been identified in the control framework or non-compliance which may put achievement of some system objectives at risk. Remedial action is required.
 Amber	Weaknesses have been identified in the control framework or non-compliance with controls which put achievement of several system objectives at risk. Remedial action is required.
 Amber/Red	Significant weaknesses have been identified in the control framework or non-compliance with controls which put the achievement of several system objectives at risk. Remedial action should be taken promptly
 Red	Fundamental weaknesses have been identified in the control framework or non-compliance with controls leaving the system open to error or abuse. Remedial action is a priority.

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