

DEREHAM TOWN COUNCIL
Annual Internal Audit Report
(as required by section 151 of the Local Government Act 1972)
Financial Year 2025/26

I have in the presence of Mrs Jillian Barron (Deputy Town Clerk) inspected the parish council documents as appropriate, and line with, the scope of the audit requested.

Mr. Tony Needham (Town Clerk) acts as the Responsible Finance Officer (RFO) for the council.

Mr. Raymond O'Callaghan was Chairperson of the Council (Town Mayor) during the year in question.

I would like to thank the Deputy Clerk for providing me with all the information required to carry out this audit and for her hospitality.

PREVIOUS INTERNAL / EXTERNAL AUDIT REPORTS

Internal Auditor: No formal recommendations made.

A mid term audit was carried out on 25th November 2025. The possibility of the Council acquiring a gov.uk domain website was discussed.

External Auditor: Assets purchased during the year had not been included in the AGAR Section 2, Box 9. This matter has now been rectified.

ANNUAL PRECEPT REQUEST & BUDGETARY PROCESS

An annual budget and precept of £1,229,107 were calculated and approved at the meeting of 10th December 2024.

There were no significant unexplained variances in the budget.

Explanations have been provided for all variances (such as the completion of reburishment of Cemetery Lodge and new play equipment costs).

Budgetary process is outlined in the Financial Regulations (Items 2 & 3).

BOOK KEEPING / TO INCLUDE END OF YEAR PROCEDURES

Bank reconciliation is carried out monthly.

Regular finance reports are submitted to Council at each meeting (including regular updates on levels of expenditure against budget).

Cost centre management is used for accounting.

The End of Year Bank Reconciliation has been correctly prepared.

A sample of payments & invoices was provided for inspection.

A small amount of petty cash is held (its use is prescribed in the Financial Regulations, Item 6.6).

ACCOUNTING & INTERNAL CONTROLS **(To include regular review of key policies)**

Receipts and Payments is used as the basis for accounting.

Risk Management Policy – last reviewed June 2025 and must be reviewed annually.

Financial Regulations – March 2023 and scheduled for review in June 2026.

Standing Orders – reviewed December 2025.

An Audit Plan is used as a diary / memorandum to highlight key events in the Council's budget / precept setting process.

The Council also oversees the Community Car Scheme. All transactions are kept separate from other Council business.

Cemetery fees and allotment rents are reviewed annually at budget setting (the last occasion being December 2025).

As previously noted, the Finance Committee comprises six councillors (including the Chair).

It is responsible for ensuring that the Council's spending is in accord with its Annual Budget and for overseeing financial compliance.

Councillors have access to all financial data, upon request to the Clerk.

The council acts as custodian trustee for the Headborough Estate. Accounts are prepared separately.

PAYROLL / PROPER IMPLEMENTATION OF PAYE / NIC / VAT

The Town Clerk and Deputy Clerk's salary is paid in accordance with members approval and statutory guidance and documented in the relevant minutes.

The Town Clerk and Deputy Clerk's salary and employment terms are currently under review.

PAYE and NIC have been properly operated (an accountant, Messrs Farnell Clarke, is employed to verify all Payroll calculations).

VAT has been properly implemented and recorded.

Returns are submitted on a quarterly basis, the latest claim covering the period to 1st January 2026 to 31st March 2026. The VAT Control account was made available for inspection.

GOVERNANCE PROCEDURES

The Council meets monthly on the second Tuesday of each month. In addition, nine sub committees which deal with the different aspects of council business.

Council policies include:

Data Protection, Code of Conduct, Equality & Diversity, Complaints, Freedom Of Information policy and Communications.

The last annual play inspection was carried out by ROSPA in June 2025. A new inspection is to take place imminently.

The Council's training providers include NALC, NPTS and SLCC.

A Staff Handbook has been published and circulated. This deals with such things as ethical conduct, grievance procedures and whistleblowing.

COMPLIANCE WITH ASSERTION 10: laws, regulations & proper practices relating to digital and data compliance

1. An IT policy was adopted in December 2025.
2. The Council has a.info domain website.
Councillors do not share common email addresses (see "Conclusions").
3. The Council's website provides accessible information which is regularly updated.
4. The Council has adopted a Website Accessibility statement as well as an Information Audit and a Privacy Statement.

Digital risks evolve quickly. Members should be encouraged to attend periodic training on data protection and digital governance (if they have not already done so).

INSPECTION OF ASSETS REGISTER & INSURANCE REQUIREMENTS

The Parish Council controls several key assets such as:

the Memorial Hall,
the Assembly Rooms,
seven allotment sites,
the town recreation ground,
two cemeteries,
a number of play areas (with extensive play equipment / including new play installations),
five bus shelters,

a residential property in Norwich Street,
a painting of George III,
a War Memorial,
miscellaneous outdoor & office equipment (laser projector is
a new addition)

The council also owns the Barwell Court public toilets and several other
parcels of land.

I have inspected the Assets Register which is well presented.

*I would suggest that the Register is reviewed regularly to ensure that
levels of insurance remain adequate.*

Insurance provider is Zurich Municipal. Policy due for renewal on
1st April 2027.

CONCLUSIONS & ANY RECOMMENDATIONS

At this time, I would make one suggestion, namely that:
councillors be provided with derehamtowncouncil.org email addresses
in line with those of the Clerk and Deputy Clerk. This would accord with
the Council's IT policy (items 3 & 14).

This council is continuing to reach high standards in both its governance
and accounting procedures.

I remain satisfied that this town council is functioning well and is fully
discharging its legal and statutory responsibilities.

Accordingly, I have duly signed and completed the relevant section of the
Annual Governance and Accountability Return Form 3, 2025/26.

ROBIN GOREHAM

(Internal Auditor)

May 2026

