

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Kirton and Falkenham Parish Council – 2023/2024

The following Internal Audit was carried out on the adequacy of systems of control in accordance with the requirements of the Audit and Accounts Regulations 2015 and the guidance and instruction in the Practitioners Guide 2023. The following recommendations/comments have been made:

Income: £28,361.21 Expenditure: £25,334.49 Reserves: £36,435.56

AGAR Completion:

Section One: **No**

Section Two: **Yes – draft figures**

Annual Internal Audit Report 2023/2024: **Yes**

Certificate of Exemption: **No**

Proper book-keeping Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

All were found to be in order. LGAs137 and VAT payments are tracked and identified within the year end accounts.

The cashbook is referenced providing a clear audit trail. Supporting paperwork is in place and well referenced.

Financial regulations Standing Orders and Financial Regulations
Tenders
Appropriate payment controls including acting within the legal framework with reference to council minutes
Identifying VAT payments and reclamation
Cheque books, paying in books and other relevant documents

Standing Orders in place: **Yes**

Reviewed: **9/5/2022**

Financial Regulations in place: **Yes**

Reviewed: **9/5/2022**

VAT reclaimed during the year: **Yes** Registered: **No**

Period claimed: Amount:

01/04/2022-31/03/2023 **£826.80**

01/01/2023-31/12/2023 **£2,325.63**

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General Power of Competence: No

There were no tenders during the year that exceeded the £30,000 Public Contract Regulations threshold.

The Council reviewed and approved the following documents during the year of audit:

- *GDPR & Cybersecurity document – 12/6/2023 (Ref: 9.iii)*
- *Village Green Risk Assessment – 2/10/2023 (Ref: 5.v)*
- *Recreation Ground Risk Assessment – 13/11/2023 (Ref: 12.i)*

Risk Assessment

Appropriate procedures in place for the activities of the council
Compliance with Data Protection regulations

Risk Assessment document in place: Yes
Data Protection registration: Yes (Ref: ZA438395)

Data Protection

The General Data Protection Regulations have changed and the new Regulations came into force on 25 May 2018. It is likely that this will affect the way in which the Council handles its data. Due to the financial risk associated with the General Data Protection Regulations, the Council have included this in their Risk Assessment.

Privacy Policy published: Yes

Insurance was in place for the year of audit. The Risk Assessment and Internal Controls were reviewed at a meeting held on 18/3/2024 (Ref: 6.i).

The Council have good internal financial controls in place. The Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.

Bank signatories were reviewed and approved at a meeting held on 15/5/2023 (Ref: 6).

Fidelity Cover: £150,000

The level of Fidelity cover is within the recommended guidelines of year end balances plus 50% of the precept.

Transparency

Under the **Transparency code for smaller authorities**, smaller councils with income/expenditure under £25,000 should publish on their website from 1 April 2015:

Smaller Council: No

Website: <https://kirtonandfalkenham.suffolk.cloud/>

The Council is not subject to the requirements of the Transparency Code for smaller Councils. The Transparency Code for Councils with a turnover exceeding £200,000 is not covered as part of the Internal Audit.

Under **The Accounts & Audit Regulations 2015 15** councils must publish on their website:

External audit report
2023 Annual Return, Section One Published – Yes
2023 Annual Return, Section Two Published – Yes
2023 Annual Return, Section Three Published – Yes

Under **The Accounts & Audit Regulations** councils must publish on their website:

Notice of period for the exercise of public rights
Published – Yes

Period of Exercise of Public Rights

Publish Date: [2/6/2023](#) Start Date: [5/6/2023](#) End Date: [14/7/2023](#)

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** council are required to display AGARs for the five years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 on their website.

The Council have met the publication requirements.

Budgetary controls supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £24,547 (2023-2024)	Date: 3/10/2022
£24,854 (2023-2024)	14/11/2022
Precept: £26,178.99 (2024-2025)	Date: 13/11/2023 (Ref: 9.iii)

Satisfactory budgetary procedures are in place. The precept was agreed in full council and the precept decision and amount has been clearly minuted. The Clerk ensures the council are aware of responsibilities, commitments, forward planning and the need for adequate reserves. Budget papers are prepared to ensure councillors have sufficient information to make informed decisions. Budgets are monitored during the year.

Income controls

Precept and other income, including credit control mechanisms

All were found to be in order. Income controls were checked and a sample of income received and banked cross referenced with the Cash Book and bank statements.

Petty Cash

Associated books and established system in place

A satisfactory expenses system is in place with supporting paperwork. No Petty Cash held.

Payroll controls

PAYE and NIC in place where necessary.
Compliance with Inland Revenue procedures
Records relating to contracts of employment

PAYE System in place: **Yes**
Employer's Reference: **475/YA56861**
P60s issued: **Yes**

The Council continue to operate RTI in accordance with HMRC regulations. Supporting paperwork is in place and a P60 has been produced as part of the year end process.

It is noted that the Council undertook a review of salaries at a meeting held on 11/12/2023 (Ref: 8.iii) where it noted the National Pay Award.

Asset control

Inspection of asset register and checks on existence of assets
Cross checking on insurance cover

A separate asset register is in place. Values are recorded at cost value/insurance value. The total value of assets are recorded at £11,156. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.

Bank Reconciliation

Regularly completed and cash books reconcile with bank statements

All were in order. Bank Reconciliations are carried out regularly. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts.

Bank Balances at 31 March were confirmed as:

<i>Unity Trust</i>	<i>xxxx2591</i>	<i>£16,612.19</i>
<i>Barclays Community</i>	<i>xxxx1007</i>	<i>£2,934.60</i>
<i>Barclays BP</i>	<i>xxxx9434</i>	<i>£17,213.77</i>

Reserves

General Reserves are reasonable for the activities of the Council
Earmarked Reserves are identified

The Council have adequate general reserves in their year end accounts.

Year-end procedures Appropriate accounting procedures are used and can be followed through from working papers to final documents
Verifying sample payments and income
Checking creditors and debtors where appropriate.

End of year accounts are prepared on a Receipts & Payments basis.

Sole Trustee The Council has met its responsibilities as a trustee

The Council is not a sole trustee.

Internal Audit Procedures

The 2023 Internal Audit report was considered by the Council at a meeting held on 12/6/2023 (Ref: 9.ii).

A review of the effectiveness of the Internal Audit was carried out on 18/3/2024 (Ref: 6.i).

Heelis & Lodge were appointed as Internal Auditor via email on 22/4/2024.

External Audit

The Council formally approved the 2023 AGAR at a meeting of the full Council held on 15/5/2023 (Ref: 7.b).

The External Auditor's report was considered at a meeting held on 4/9/2023 (Ref: 9.ii).

The following matters were brought to the attention of the Council:

The minute references for Section 1 and 2 have been incorrectly recorded on the AGAR. The minutes of the meeting at which the AGAR was approved have been reviewed and demonstrate that Sections 1 and 2 have been approved together under minute reference 7(b). The smaller authority should ensure that Sections 1 and 2 of the AGAR are approved under separate minute references in the correct order in future and that the correct minute references are recorded on the AGAR.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 15/5/2023. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- There are no additional comments/recommendations to make in relation to this audit.
- I would like to record my appreciation to the Clerk to the Council for his assistance during the course of the audit work



Heather Heelis
Heelis & Lodge
21 May 2024

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INVOICE

To:

Kirton and Falkenham Parish Council

Invoice No: HL9469
Date: 21 May 2024

Details	Quantity	Amount (£)	Total (£)
To carry out Year End Audit for Kirton and Falkenham Parish Council for the year ended 31 March 2024 Banding £25,001 - £50,000	1	220.00	220.00
Total			220.00

Please make cheques payable to: Heelis & Lodge

Bank Details: Account 02539349 Sort Code 72-00-00

Terms – 14 days

Thank you.

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