

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Monks Eleigh Parish Council – 2023/2024

The following Internal Audit was carried out on the adequacy of systems of control. The following recommendations/comments have been made:

Income: £119,442

Expenditure: £127,237

Reserves: £25,325

AGAR 2023 / 2024 Completion:

Section One: **No**

Section Two: **Yes - unsigned. The response to 11b is contrary to the explanation of the Trust funds in the RFO Report on the council minutes.**

Annual Internal Audit Report 2023 / 24: **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: **18th September 2023 (Ref: 60/23)**

Financial Regulations in place: **Yes**

Reviewed: **19th June 2023 (Ref: 12/23 d)**

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

General Power of Competence: **No**

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

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 - Z2744036 Expiry 27/07/2024

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 has included this in their Risk Assessment.

Privacy Policy published: Yes

Insurance was in place for the year of the audit. The Risk Assessment was reviewed at a meeting held on 19th June 2023 (Ref: 12/23 c). Internal Controls were reviewed at a meeting held on 19th June 2023 (Ref: 12/23 c).

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.

The annual play area inspection has been undertaken during the year as shown in minute of the meeting on 25th March 2024 (Ref: 121/23).

Fidelity Cover: £50,000

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: www.monkseleighpc.onesuffolk.net

The Council is not subject to the requirements of the Transparency Code for smaller Councils.

Under **The Accounts & Audit Regulations 2015 13(1a&b)** councils must publish on their website:

Statement of Accounts, External Audit report and Annual Governance statement.
2023 Annual Return, Section One Published – Yes
2023 Annual Return, Section Two Published – Yes
2023 Annual Return, Section Three Published – Yes

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** a council is required to display AGAR's for the five years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 on their website. The council has complied with this requirement.

Under **The Accounts & Audit Regulations 2015 15(2b)** 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 23rd May 2023 Start Date 5th June 2023 End Date 14th July 2023

Budgetary controls

Verifying the budgetary process with reference to council minutes and supporting documents

Precept: £21,090 (2023 / 2024) Date: 23rd January 2023 (Ref: 193/22d)

Precept: £21,500 (2024 / 2025) Date: 22nd January 2024 (Ref: 97/23 d)

Good 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	<p>Precept and other income, including credit control mechanisms</p> <p><i>All were found to be in order. Income controls were checked and income received and banked cross-referenced with the Cash Book and bank statements.</i></p>				
Petty Cash	<p>Associated books and established system in place</p> <p><i>A satisfactory expense system is in place with supporting paperwork. No Petty Cash held.</i></p>				
Payroll controls	<p>PAYE and NIC in place where necessary. Compliance with Inland Revenue procedures Records relating to contracts of employment</p> <p>PAYE System in place: Yes – PAYE Tools Employer PAYE Reference: 120/WA55990 P60's issued: Yes</p> <p><i>The Council continue to operate RTI in accordance with HMRC regulations. All supporting paperwork is in place and a P60 has been produced as part of the year-end process. The Council has not joined the LGPS / NEST pension scheme.</i></p> <p><i>It is noted that the Council undertook a review of salaries at a meeting held on 22nd January 2024 (Ref: 97/23 e).</i></p>				
Asset control	<p>Inspection of asset register and checks on existence of assets Cross-checking on insurance cover</p> <p><i>A separate asset register is in place. Values are recorded at cost value. The total value of assets is recorded at £102,918. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.</i></p>				
Bank Reconciliation	<p>Regularly completed and cash books reconcile with bank statements</p> <p><i>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. The un-presented cheque from 2022 to 2023 for £10 should have been reversed during 2023 to 2024.</i></p> <p><i>Bank Balances as at 31st March 2024 were confirmed as:</i></p> <table> <tr> <td><i>Barclays Business Premium</i></td><td><i>£24,076.10</i></td></tr> <tr> <td><i>Barclays Community</i></td><td><i>£ 8,316.43</i></td></tr> </table> <p><i>The bank signatories were agreed at the meeting on 19th June 2023 (Ref: 12/23</i></p>	<i>Barclays Business Premium</i>	<i>£24,076.10</i>	<i>Barclays Community</i>	<i>£ 8,316.43</i>
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<i>Barclays Community</i>	<i>£ 8,316.43</i>				

Reserves

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

The Council have general reserves of £2,268.90 (10.55% of Precept) and have identified earmarked reserves in their year-end accounts of £23,056.16

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 a Trustee of the Galletts and Polebridge Recreation Ground (Charity No 304923).

The last annual submission of the accounts was for the year ending 31st March 2023 was submitted on 12th October 2023.

Internal Audit Procedures

The 2023 Internal Audit report was considered by the Council at a meeting held on 19th June 2023 (Ref: 12/23 h).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 22nd January 2024 (Ref: 97/23 f)

External Audit

The Council formally approved the 2023 AGAR at a meeting of the full Council held on 19th June 2023 (Ref: 12/23 f & g).

The External Auditor's report was considered at a meeting held on 22nd January 2024 (Ref: 97/23 g)

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

We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2023/24 for the exercise of public rights, since the approval date was after the start of the period for the exercise of public rights. As a result, the smaller authority must answer 'No' to Assertion 4 of the Annual Governance Statement for 2023/24 and ensure that it makes proper provision for the exercise of public rights during 2024/25.

The Annual Internal Audit Report focuses on a series of internal control objectives covering an authority's key financial and accounting systems and concludes whether, in all significant respects, the internal control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of the authority. We note that the internal auditor has not provided a

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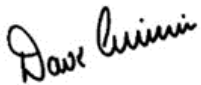
Lynne Lodge Dip HE Local Policy

conclusion on the following internal control objectives: O in respect of trust funds where the response given is 'No' as we understand the internal auditor was not made aware of the existence of the trust fund at the time of their review. The Annual Internal Audit Report will inform the authority's response to Assertions 2 and 6 in the annual governance statement. As a result, the authority must ensure that assurance that has not been provided via these control objectives has been sought elsewhere

Recommendation (1): *It is a requirement that when the External Auditor's report is being reviewed at a meeting, the minutes should record the actions to be taken.*

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 19th June 2023 which was outside the permitted timescales. 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 her assistance during the course of the audit work and for the quality of documentation presented in the Audit File.



Dave Crimmin PSLCC
Heelis & Lodge
15th April 2024

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Monks Eleigh Parish Council
2 Northfield Road
Onehouse
Stowmarket
IP14 3EY

Invoice No: HLD2305

Date: 15th April 2024

Details	Quantity	Amount (£)	Total (£)
To carry out Year-end Internal Audit for Monks Eleigh Parish Council for the year ended 31 March 2024.	1	320.00	320.00
Total			320.00

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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