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Internal Audit & Professional Services

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Elmswell Parish Council – Internal Audit Report for 2022 / 2023

Dave Crimmin undertook this Internal Audit on the 25th April 2023 to review the adequacy of the systems of control undertaken by the council. The following comments and recommendations have been made:

Annual Meeting of the Parish / Town Council

The Annual Parish meeting was held on 16th May 2022 (Ref: 22.05.01). The first item of business was the Election of Chairman, in accordance with Standing Orders.

AGAR Completion for 2022 / 2023

Section One:	No
Section Two:	Yes in ink not signed
Annual Internal Audit Report 2022 / 23:	Yes
Certificate of Exemption:	Not applicable

Receipts £680,198

Payments £636,090

Reserves £856,367

Total Borrowings £2,217,145 Confirmed with UK Debt Management Office as at 6th April 2023

Proper book-keeping

Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

The Council hold the General Power of Competence and LGAs137 does not apply. 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: 16th May 2022 (Ref: 22.05.03)
Financial Regulations in place: Yes
Reviewed: 16th May 2022 (Ref: 22.05.03)

Registered VAT Claims (VAT Number 342627212):

01/04/2022 to 30/06/2022	<i>Claimed</i>	£8,146.11
01/07/2022 to 30/09/2022	<i>Paid</i>	£ 638.88
01/10/2022 to 31/12/2022	<i>Paid</i>	£4,272.98
01/01/2023 to 31/03/2023	<i>Claimed</i>	£ 669.37

General Power of Competence: Yes

There were no tenders during the year that exceeded the £25,000 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 - Z274902X Expiry 03/07/2023

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 was reviewed at a meeting held on 16th May 2023 (Ref: 22.05.09). The Internal Controls was reviewed at a meeting on 17th October 2022 (Ref: 22.10.12)

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 in January 2023 by the Play Inspection Company.

Fidelity Cover: £0

Recommendation (1): The Fidelity Cover has not been carried forward with the new insurance provider in 2022 / 2023. This needs to be rectified immediately in line with 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.elmswell.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 13(1a)** councils must publish on their website:

Statement of Accounts, External Audit report and Annual Governance statement.

<i>2022 Annual Return, Section One Published</i>	<i>Yes</i>
<i>2022 Annual Return, Section Two Published</i>	<i>Yes</i>
<i>2022 Annual Return, Section Three Published</i>	<i>Yes</i>

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** a council is required to display AGAR's for the five years 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 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

<i>Published</i>	<i>Yes</i>
<i>Period of Exercise of Public Rights</i>	
<i>Start Date 13th June 2022</i>	<i>End Date 22nd July 2022</i>

Budgetary controls

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

Precept: £189,555 (2022/2023) Date: 20th Dec 2021 (Ref: 21.12.12)

Precept: £206,312 (2023/2024) Date: 16th January 2023 (Ref: 23.01.12)

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

Precept and other income, including credit control mechanisms

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.

Incomes for the Council, Coffee Shop, Tavern, Allotments and Cemetery. New internal controls for cash and card receipts for both the Coffee Shop and Tavern are now in place. The standardisation of the card payment system across both outlets will help to resolve the discrepancy on daily reporting and reconciliation.

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 – Payroll Manager Moneysoft

Employer PAYE Reference: 245/BE370

P60's issued: Yes

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 have joined the NEST pension scheme.

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. The total value of assets is recorded at £3,443,133 . 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.

Reconciled Bank Balances as at 31st March 2023 were confirmed as:

Co-Op Business Directplus £ 16,612.90

Co-Op Instant £841,922.12

Reserves

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

The Council have adequate general reserves (£239,108) and have identified earmarked reserves (£617,259) 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 an Income & Expenditure basis. Creditors and Debtors are identified within the year-end accounts.

Sole Trustee

The Council has met its responsibilities as a trustee

The Council is not a sole trustee.

Internal Audit Procedures

The 2022 Internal Audit report was considered by the Council at a meeting held on 16th May 2022 (Ref: 22.05.10)

A review of the effectiveness of the Internal Audit was carried out on 21st November 2022 (Ref: 22.11.16)

davecrimmin.co.uk was appointed as Internal Auditor at a meeting held on 21st November 2022 (Ref: 22.11.16)

External Audit

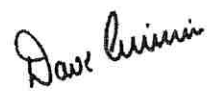
The Council formally approved the AGAR at a meeting of the full Council held on 16th May 2022 (Ref: 22.05.11 & 12)

The External Auditor's report was considered at a meeting held on 26th September 2022 (Ref: 22.09.16)

There were no matters arising from the External Audit.

In conclusion

I would like to record my appreciation to the Clerk and Assistant Clerk to the Council for their assistance during the course of the audit work, and for the quality of the documentation presented in the Audit File.

A handwritten signature in black ink that reads "Dave Crimmin". The signature is written in a cursive, slightly slanted style.

Dave Crimmin PSLCC

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25th April 2023