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**Internal Audit & Professional Services**

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## **Elmswell Parish Council – Internal Audit Report for 2023 / 2024**

Dave Crimmin undertook this Internal Audit on the 23<sup>rd</sup> April 2024 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 Council meeting was held on 15<sup>th</sup> May 2023. The first item of business was the Election of Chairman in accordance with Standing Orders.

### **AGAR Completion for 2023 / 2024**

Section One:	Yes – not signed
Section Two:	Yes – not signed
Annual Internal Audit Report 2023 / 24:	Yes
Certificate of Exemption:	No

Receipts                    £495,991

Payments                   £655,639

Reserves                    £696,893

Total Borrowings        £2,164,305 Confirmed with UK Debt Management Office as at 8<sup>th</sup> April 2024

### **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: 20<sup>th</sup> November 2023 (Ref: 23.11.14) & 15<sup>th</sup> January 2024 (Ref: 24.01.13)*

*Financial Regulations in place: Yes*  
*Reviewed: 20<sup>th</sup> November 2023 (Ref: 23.11.14) & 15<sup>th</sup> January 2024 (Ref: 24.01.13)*

*VAT Registered Claims (VAT Number 342627212):*

<i>01/04/2023 to 30/06/2023</i>	<i>Paid</i>	<i>£2,766.48</i>
<i>01/07/2023 to 30/09/2023</i>	<i>Paid</i>	<i>£ 328.47</i>
<i>01/10/2023 to 31/12/2023</i>	<i>Paid</i>	<i>£1,748.36</i>
<i>01/01/2024 to 31/03/2024</i>	<i>Claimed</i>	<i>£3,677.20</i>

*General Power of Competence: Yes – adopted on 15<sup>th</sup> May 2023 (Ref: 23.05.22).*

*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 Z274902X*  
*Expiry 03/07/2024*

### **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 audit. The Risk Assessment was reviewed at a meeting held on 15<sup>th</sup> May 2023 (Ref: 23.05.10). The Internal Controls was reviewed at a meeting held on 18<sup>th</sup> September 2023 (Ref:23.09.12).

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 during the year on 25<sup>th</sup> January 2024.

*Fidelity Cover: £1,000,000*

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.elmswell.suffolk.cloud](http://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.*

*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 on 2<sup>nd</sup> June 2023*

*Period of Exercise of Public Rights*

*Start Date 5<sup>th</sup> June 2023 End Date 14<sup>th</sup> July 2023*

## Budgetary controls

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

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

*Precept: £229,749 (2024 / 2025) Date: 15<sup>th</sup> January 2024 (Ref: 24.01.12)*

*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, Bus Tickets, Tavern, Blackbourne Bar, Allotments and Cemetery.*

The allotment rents were increased at the meeting on 20<sup>th</sup> November 2023 (Ref: 23.11.15).

## **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 has joined the NEST pension scheme.*

*It is noted that the Council undertook a review of salaries at a meeting held on 18<sup>th</sup> December 2023 (Ref: 23.12.12) & 15<sup>th</sup> January 2024 (Ref: 24.01.14).*

## **Asset control**

Inspection of asset register and checks on the 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 £3,656,452. 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 31<sup>st</sup> March 2024 were confirmed as:*

<i>Co-Op Business Directplus</i>	<i>£ 26,669.83</i>
<i>Co-Op Instant</i>	<i>£171,443.11</i>
<i>Co-Op 95 Day Notice</i>	<i>£500,000.00</i>

## **Reserves**

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

*The Council have adequate general reserves of £239,108 and has identified earmarked reserves of £457,785 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 2023 Internal Audit report was considered by the Council at a meeting held on 15<sup>th</sup> May 2023 (Ref: 2305.11).*

*A review of the effectiveness of the Internal Audit was carried out on 16<sup>th</sup> October 2023 (Ref: 23.10.15).*

*davecrimmin.co.uk was appointed as Internal Auditor at a meeting held on 16<sup>th</sup> October 2023 (Ref: 23.10.15).*

## **External Audit**

*The Council formally approved the AGAR at a meeting of the full Council held on 15<sup>th</sup> May 2023 (Ref: 23.05.12 & 13).*

*The External Auditor's report was considered at a meeting held on 18<sup>th</sup> September 2023 (Ref: 23.09.15).*

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

*The AGAR was not accurately completed before submission with regard to assets recorded in Section 2 Box 9. An incomplete bank statement had been supplied in support of Section 2 Box 8.*

**In conclusion**

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



Dave Crimmin PSLCC

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23<sup>rd</sup> April 2024