

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Drinkstone 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: £23,343

Expenditure: £9,437

Reserves: £30,543

AGAR 2023 / 2024 Completion:

Section One: No

Section Two: Yes – unsigned. Box 7 for 31 March 2024 does not equal Boxes (1+2+3) – (4+5+6)

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. 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: 19th June 2023 (Ref: 9)

Financial Regulations in place: Yes

Reviewed: 19th June 2023 (Ref: 9)

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 – ZA159726 Expiry 10/02/2025

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: *No*

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

There was no evidence in the minutes that the Internal Controls were reviewed during the audit year.

Recommendation (1): *To ensure the annual review of Internal Controls is carried out during the year of audit.*

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 per meeting on 4th March 2024 (Ref: 5.5).

Fidelity Cover: £25,000

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

Recommendation (2): *To review Fidelity Cover 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: [Yes](#)

Website: www.drinkstonevillage.co.uk

- a) all items of expenditure above £100
Published – Yes – contained within the minutes
- b) annual governance statement (By 1 July)
2023 Annual Return, Section One Published – Yes
- c) end-of-year accounts (By 1 July)
2023 Annual Return, Section Two Published – Yes
- d) internal audit report (By 1 July)
2023 Annual Return, Section Four Published – Yes
- e) list of councillor or member responsibilities
Published – Yes
- f) the details of public land and building assets (By 1 July)
Published – Yes
- g) minutes, agendas and meeting papers of formal meetings
Published – Yes

The Council have met the requirements of the Transparency Code for smaller councils.

Under **The Local Audit (Smaller Authorities) Regulations 2015 9(6 & 7)** a smaller council having certified itself as an Exempt Authority must publish on their website:

Certificate of Exemption

Certificate of Exemption 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

Published 19th June 2023 Start Date 20th June 2023 End Date 10th August 2023

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

Precept: £10,042 (2023 / 2024) Date: 5th December 2022 (Ref: 12)

Precept: £10,000 (2024 / 2025) Date: 4th December 2023 (Ref: 8)

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.

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 – SALC Payroll Service**

Employer PAYE Reference: 475/KA60330

P60's issued: Yes

The Council continues to operate RTI in accordance with HMRC regulations. Payroll is outsourced. 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.

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 £48,943. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.

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.</i></p> <p><i>Reconciled Bank Balances as at 31st March 2024 were confirmed as:</i></p> <table border="0"> <tr> <td><i>Unity Trust Current</i></td> <td style="text-align: right;"><i>£18,655.03</i></td> </tr> <tr> <td><i>Unity Trust Savings</i></td> <td style="text-align: right;"><i>£11,888.40</i></td> </tr> </table>	<i>Unity Trust Current</i>	<i>£18,655.03</i>	<i>Unity Trust Savings</i>	<i>£11,888.40</i>
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Reserves	<p>General Reserves are reasonable for the activities of the Council Earmarked Reserves are identified</p> <p><i>The Council have adequate general reserves (£15,580) and have identified earmarked reserves in their year-end accounts.</i></p>				
Year-end procedures	<p>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.</p> <p><i>End-of-year accounts are prepared on a Receipts & Payments basis.</i></p>				
Sole Trustee	<p>The Council has met its responsibilities as a trustee</p> <p><i>The Council is not a sole trustee.</i></p>				
Internal Audit Procedures	<p><i>The 2023 Internal Audit report was considered by the Council at a meeting held on 19th June 2023 (Ref: 11).</i></p> <p><i>Recommendation (3):</i> <i>When applicable, the council's response to the Internal Audit recommendations should be contained in the minutes of the meeting.</i></p> <p><i>Heelis & Lodge were not appointed as Internal Auditor at a meeting held during the year of Audit.</i></p> <p><i>Recommendation (4):</i> <i>It is a requirement to appoint the Internal Auditor and record the decision in the minutes of the meeting.</i></p>				
External Audit	<p><i>The Council formally approved the 2023 AGAR at a meeting of the full Council held on 19th June 2023 (Ref: 13, 15 & 16)</i></p> <p><i>The Council declared themselves Exempt from External audit for the 2022-2023 financial year.</i></p>				

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 15th May 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 and for the quality of documentation presented in the Audit File.



Dave Crimmin PSLCC

Heelis & Lodge

3rd June 2024

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Drinkstone Parish Council
Tyne Barn
Drinkstone
Bury St Edmunds
Suffolk
IP30 9TG

Invoice No: HLD2340
Date: 3rd June 2024

Details	Quantity	Amount (£)	Total (£)
To carry out Year-end Internal Audit for Drinkstone Parish Council for the year ended 31 March 2024.	1	170.00	170.00
Pick-up and return courier service	2	20.00	40.00
Total			210.00

Please make cheques payable to: Heelis & Lodge

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

Terms – 14 days

Thank you.

HEELIS&LODGE

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