

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Elmswell Parish Council – 2024/2025

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 2024. The following recommendations/comments have been made:

Income: £752,680.75 Expenditure: £530,995.83 Reserves: £918,577.53

2025 AGAR Completion:

Section One: Yes – to be approved by council

Section Two: Yes – to be approved by council

Annual Internal Audit Report 2024/2025: Yes

Certificate of Exemption: No

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

VAT payments are tracked and identified within the year end accounts.

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. The Council use the Scribe accounting software.

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: 20/05/2024 (Ref: 24.05.32)

Financial Regulations in place: Yes

Reviewed: 18/11/2024 (Ref: 24.11.13) and 20/05/2024 (Ref: 24.05.33)

VAT reclaimed during the year: Yes

Registered: Yes Reg: 342627212

Submission Period:	Amount:
01/04/2024-30/06/2024	(£592.14)
01/07/2024-30/09/2024	£1,386.48
01/10/2024-31/12/2024	(£2,442.73)
01/01/2025-31/03/2025	£6,356.35

General Power of Competence: Yes Adopted: 20/5/2024 (Ref: 24/05/20)

Policy Review Schedule in place: No

The Council have a suite of policies, some of which may be in need of review to see if they remain fit for purpose.

Recommendation: To implement a Policy Review Schedule.

There were 2 tenders during the year that exceeded the £30,000 Public Contract Regulations threshold. These were advertised in the local press.

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: Z274902X

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
Link: <https://elmswell-pc.gov.uk/assets/Parish-Council/Policies-and-Documents/Privacy-Policy.pdf>

Insurance was in place for the year of audit covering the period 28/6/2024 – 27/6/2025. The Risk Assessment was reviewed at a meeting held 20/5/2024 (Ref: 24.05.08). Internal Controls were reviewed at a meeting held on 18/11/2024 (Ref: 24/11/12).

Statement of Internal Controls in place: Yes

The Council have effective 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 at the annual meeting of the Council held on 20/05/2024 (Ref: 24.05.19).

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: <https://elmswell-pc.gov.uk/>

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

2024 Annual Return, Section One Published – Yes

2024 Annual Return, Section Two Published – Yes

2024 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

Publication Date: 29/5/2024 Start Date: 3/6/2024 End Date: 12/7/2024

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** council are required to display AGARs for the five years 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 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: £249,150 (2025-2026) Date: 16/12/2024 (Ref: 24/12/13)

Precept: £229,749 (2024-2025) Date: 15/1/2024 (Ref: 24.01.12)

Effective 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

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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. The Council have embraced renewable energy and receive an income from RHI and FIT.

Allotment Tenancy fees were reviewed at a meeting held on 16/12/2014 (Ref: 24.12.12). It was resolved to implement a 10% uplift from 1/1/2026. Tenancy agreements are in place. It is noted that the allotment year aligns with the calendar year.

Cemetery records are in order. By resolution dated 19/11/2007 fees are increased annual on 1 January by 5% (rounded up).

A selection of income transactions from Wesley and Tavern were examined and all were found to be in order.

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 and pensions

PAYE System in place: Yes
Employer's Reference: 245/BE370
P60s issued: Yes

The Council continue to operate RTI in accordance with HMRC regulations. Supporting paperwork is in place and P60s have been produced as part of the year end process. An examination was carried out on a selection of payments made from April 2024 to March 2025.

Eligible employees have joined the nominated pension scheme. The last date of re-declaration of compliance was 15/8/2022. The next due date is 15/8/2025.

It is noted that the Council undertook a review of salaries at a meeting held on 15/7/2024 (Ref: 24.07.22).

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 are 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.

Bank Balances at 31 March were confirmed as:

<i>Co-op Savings</i>	<i>xxxx8348</i>	<i>£386,989.18</i>
<i>Co-op Community</i>	<i>xxxx0710</i>	<i>£16,678.13</i>
<i>95 Day Deposit</i>	<i>xxxx8474</i>	<i>£509,766.56</i>

The Council had outstanding (PWLB) loans with the UK Debt Management Office (DMO) of £2,110,360.23 at the year end, verified by the 31st March statement.

Reserves

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

The Council have adequate general reserves (£218,494) and have identified earmarked reserves of £700,084 in their year end accounts. The Council have a Reserves Policy in place (Ref: 19/12/2022).

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.

Local Council Tax Support Grant is excluded from Box 2: NA

Balance Sheet is correct: Yes

Trial Balance is correct: Yes

Sole Trustee

The Council has met its responsibilities as a trustee

The Council is not a sole trustee.

Internal Audit Procedures

The 2024 Internal Audit report was considered by the Council at a meeting held on 20/05/2024 (Ref: 24.05.10).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 21/10/2024 (Ref: 24.10.13).

External Audit

The Council formally approved the 2024 AGAR at a meeting of the full Council held on 20/5/2024 (Ref: 24.05.11 & 24.05.12).

The External Auditor's report was considered at a meeting held on 16/9/2024 (Ref: 24.09.13).

There were no matters arising from the External Audit.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 20/5/2024. 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 Peter and Ann for their assistance during the course of the audit work and for the quality of documentation provided for the audit.

**Heather Heelis**

Heelis & Lodge
23 April 2025