

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Kirton & Falkenham 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: £27,187 Expenditure: £21,467 Ear Reserves: £21,550 General: £22,222

AGAR 2024 / 2025 Completion:

Section One: Yes - unsigned

Section Two: Yes – unsigned. Section 2 Box 2 for 2025 should not include the CIL receipt, which should be in Box 3. Box 7 for 2025 does not equal $(1 + 2 + 3) - (4 + 5 + 6)$. *The Statement of Accounts does not balance by the same amount.*

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

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: 13th May 2024 (Ref: 4)

Financial Regulations in place: Yes

Reviewed: 13th May 2024 (Ref: 4) & 9th September 2024 (Ref: 6i)

VAT reclaimed during the year: Yes

Registered: No

General Power of Competence: No

Policy Review Schedule in place: Yes

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

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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 – ZA438395 Expiry 12/07/25

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 13th May 2024 (Ref: 4)

Statement of Internal Controls in place: Yes

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 22nd July 2024 (Ref: 10).

Fidelity Cover: £150,000

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.kandf-pc.gov.uk

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.

2024 Annual Return, Section One Published – Yes

2024 Annual Return, Section Two Published – Yes

2024 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 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 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

Publication Date: 11/06/24 Start Date: 12/06/24 End Date: 23/07/24

Budgetary controls

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

Precept: £26,178 (2024 / 2025) Date: 13th November 2023 (Ref: 9iii)

Precept: £26,849 (2025 / 2026) Date: 11th November 20 (Ref: 6v)

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 – PAYE Tools**
Employer PAYE Reference: 475/YA56861
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.

No eligible employees have joined the nominated pension scheme. Evidence of the last date of re-declaration of compliance to the Pensions Regulator was not provide in the Audit file.

It is noted that the Council undertook a review of salaries at a meeting held on 11th November 2024 (Ref: 6v).

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 £15,791. The figure in the asset register does not correspond 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 were confirmed as:

<i>Unity Savings</i>	<i>£20,199.63</i>
<i>Unity Current</i>	<i>£21,950.06</i>

The council resolved to close the Barclays accounts at the meeting on 9th September 2024 (Ref: 6ij).

Reserves

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

The Council have adequate general reserves (£22,222) and have identified earmarked reserves 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 is prepared on a Receipts & Payments basis.

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 not considered by the Council at a meeting held during the year of Audit.

Recommendation (1): *It is a requirement to review the Internal Report when received and minute the actions that the council is to take.*

A review of the effectiveness of the Internal Audit was not carried out during the year of Audit.

Recommendation (2): *It is a requirement to review the effectiveness of the internal audit during the year of accounts.*

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 3rd February 2025 (Ref: 6iv).

External Audit

The Council formally approved the 2024 AGAR at a meeting of the full Council held on 10th June 2024 (Ref: 6)

The External Auditor's report was considered at a meeting held on 9th September 2024 (Ref: 6iv)

There were no matters arising from the External Audit.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 13th May 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 Clerk to the Council for the quality of documentation presented in the Audit File.

Dave Crimmin

Dave Crimmin PSLCC

Heelis & Lodge

3rd May 2025

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Kirton & Falkenham
61 Falkenham Road
Kirton
Ipswich
IP10 0QW

Invoice No: HLD2427

Date: 3rd May 2025

Details	Quantity	Amount (£)	Total (£)
To carry out the Year-end Internal Audit for Kirton & Falkenham Parish Council for the year ended 31 March 2025.	1	220.00	220.00
Total			220.00

Please make cheques payable to: Heelis & Lodge

Bank Details: Account 02539349 Sort Code 09-01-50

Terms – 14 days

Thank you.

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