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To: Ide Parish Council

Date: 10<sup>th</sup> April 2024

**Internal Audit Report for Ide Parish Council as at year end 31/03/2024**

All Councils are required to implement an annual independent Internal Audit examination of its accounts, accounting processes and internal controls. The aim of this is to ascertain whether the systems of financial and other internal controls, over its activities and operating procedures, are effective. A sample system has been used, as felt appropriate for the size of the Council, to test these processes.

This report details the results of the audit which has been carried out in accordance with the requirements of the Governance and Accountability Practitioners Guide. The report contains recommendations for Council consideration.

**Standard Documentation/Information**

- Internal control systems – in place and tested by the Council regularly.
- Financial Regulations, Standing Orders, Code of Conduct – in place and regularly reviewed. I recommend that the policy review dates are noted on the website versions of the documents. I note that the Cricket Club has provided 2 quotes for artificial grass and the Financial Regulations appear to require three quotes for such purchases. I recommend that this is reviewed.
- Website Accessibility Statement, Privacy Statement – in place.
- Email addresses – it is now a requirement that the Council and Councillors' have bespoke email addresses ideally ending .gov.uk or similar. I note that this topic has been considered but not taken up. I recommend that the Practitioners Guide is reviewed, and the matter reconsidered.
- Borrowing – in place with repayments evidenced. I recommend that the Council checks that the outstanding borrowing figure as at 31<sup>st</sup> March 2024 matches that input on the AGAR prior to sign off and submission.
- Councillor numbers – currently at 9, being full membership. I recommend that Councillor resignations/any shortfall in numbers are noted on the minutes going forward.
- Trusts and petty cash – not applicable.

**Public Funds**

- Payment controls – in place and payments are regularly checked by the Council.
- Purchase/payment documentation – items crossed checked to the accounts highlighted no issues.
- VAT – claims have been evidenced and the process used appears to be in order.
- Accounts – the SCRIBE system is in place and the documents viewed appear to be in order.
- Section 137 payments – a listing for S137 spending is in place which appears to be in order.
- 'Other' income - grant funding, donations, burials, allotments – all documented.

**Risk Management and Budget Control**

- Risk Management Policy and Review – a policy in place and processes are tested annually.
- Statement of Internal Control – in place and recently reviewed.
- Annual Insurance policy – in place, expiry 1<sup>st</sup> June 2024, the policy appears to be in order.
- Budget – a document has been produced from which the annual precept has been set. The Precept has been minuted appropriately. The budget has been regularly reviewed.

- Reserve funds – there is no ‘earmarked funds’ listing, which is unusual, and I recommend that any funding set aside for a specific purpose be listed under ‘earmarked reserves’ as appropriate. General reserves stand at £54,470 at 31<sup>st</sup> March 2024 which would appear a little high for the size of the Council. I recommend that this area is reviewed.
- Meeting agendas – in order.
- Meeting minutes – well written and decisions have been recorded appropriately. I recommend that residents names are not noted in Council minutes as recommended by NALC (letting of allotments).
- Information Commissioners Office (ICO) – annual membership has been confirmed.
- General Data Protection Policy, Freedom of Information Policy, Complaints Policy – all in place.
- Working Groups and Committees – in place with relevant Terms of Reference documents.
- Play equipment checks – I have been unable to check whether the required official annual check of play equipment has been carried out and I recommend that this area is looked into.

### **Employment**

- Contract of Employment – in place for the Clerk who is the only employee.
- PAYE/pay roll – outsourced and the documents viewed appear to be in order with relevant deductions for tax made. There is no pension in place. I recommend that the Council checks that the Pensions Regulator documentation is up to date.
- Salary increases and overtime – salary increases have been well documented.

### **Asset Control**

- Asset Register – in place and recently updated. No land purchase related legal documentation and no leases have been checked during this audit. I note that the Asset Register does not have an overall total (£) on it and I recommend that this is input for transparency and to make cross checking to the audit documentation easier.

### **Banking and Bank Reconciliations**

- Bank reconciliations – produced regularly and checked by the Council.
- Authorised signature numbers – currently 4, updated May 2023, and due for a further update.
- Internet Banking – used and all transactions are checked regularly by the Council for accuracy.

### **Year End**

- Year-end 31/03/2023 – the AGAR was returned by the External Auditor due to a reversal in figures, this has been appropriately amended. I recommend that all AGAR documentation is thoroughly checked by the Council prior to sign off and submission.
- Public Rights 2023 – the correct process has been used and the form has been published.
- Year-end 31/03/2024 – the documentation is currently being prepared by the Clerk who has confirmed understanding of requirements. The year-end bank reconciliation has been found to be in order. I have been able to sign off the AGAR internal audit form showing no areas of concern.

### **Summary**

It is my opinion that Ide Parish Council has robust systems of internal control in place which support the lowering of risk in general. Proper practices appear to have been applied and the documentation viewed was in good order. The few recommendations made within this report will help further support the lowering of risk to the Council moving forward.