

Year End Internal Audit Report to Stickford Parish Council 2023/2024

Income £12,383.66 Expenditure £19,459.20 Reserves £14,742.24

Overview

An Internal Audit has been carried out in accordance with the Council's needs and to report on the adequacy of systems and controls.

In respect of the specific AGAR Internal Control Objectives I wish to make the following comments:

A Accounting Records

Proper accounting records have been maintained throughout the year and the digital records correctly kept.

B Payment Control

There is evidence to support that this Parish Council complied with its Financial Regulations, payments were supported by invoices.

The published Financial Regulations relating to the values for quotations/estimates match the published Standing Orders relating to acquisitions.

C Risk Management Arrangements

Risk Assessments have been reviewed within the year.

The blanket Insurance Policy does not list the individual items but there is sufficient cover in place.

D Budgetary Controls

The Council has prepared an Annual Budget in support of its Precept. I can see that this has been considered, approved and adopted.

Interim budget reports have been reviewed during the year and variances discussed.

The precept received within the year matches both the Precept paperwork in the previous year's records and the public record of precepted amounts.

E Income Controls

All Income is properly recorded and promptly banked.

F Petty Cash Payments

Not applicable to this Council

G Payroll Controls

There is a PAYE scheme in place. There are strict rules regarding compliance with HMRC and the system of RTI (Real time Information) and online filing which has been adhered to.

H Asset Controls

The Fixed Asset register has been maintained and updated accordingly, however one item has been listed with vat and the list published on the Website does not match the list in the accounting records.

Because of these I do not believe that the Council has met the Standard on this Objective.

I Bank Reconciliation

A Bank Reconciliation was completed and Bank Statements were reconciled to the digital Receipts and Payments listings and I can see in the Minutes where the Bank Account Balances are listed together with details of any unrepresented cheques.

J Year End Procedures

The digital records are summarised, totaled and agreed to the Bank Reconciliations.

K Exemption Certification

The Exemption Certificate was not applicable due to the incorrect precept being paid to you by ELDC.

L Transparency Code

In addition to the AGAR and the associated documents (see N) the following items should all be appearing on the website and I have indicated the current position for these

Document	Status	How often
Agendas	All present and correct	As appropriate
Minutes	All present and correct	As appropriate
Papers of Formal Meetings	All present and correct	As appropriate
All Items of Expenditure above £500	All present and correct	Annually
List of Councilors or Member Responsibilities	All present and correct	Annually
Details of Public Land and Building Assets	Not applicable	Annually

M Public Rights

The 2022-2023 Notice of Electors Rights is appearing on the Website and matches the minutes.

N AGAR Publication Requirements

The Publication requirements for 2022-2023 were as follows and I have itemised the status of these individually.

Document	Status	How often
Certificate of Exemption	2023 showing	Annually
Annual Internal Audit Report	2023 showing	Annually
Section 1 Annual Governance Statement	2023 showing	Annually
Section 2 Accounting Statements	2023 showing	Annually
Analysis of Variances	2023 showing	Annually
Bank Reconciliation	2023 showing	Annually
Notice of the period for the Exercise of Public Right	2023 showing	Annually

Summary and Recommendations

I have used the PKF Littlejohn March 2024 Practitioner's Guide Internal Audit Checklist to assure standards are met.

As mentioned before the Internal Auditors function is to test and report to the Authority on whether its specific system of Internal Control is adequate and working satisfactorily.

They can only Audit what is there, so agendas, minutes, supporting evidence and accounting records all need to be comprehensive and readily available.

The Clerk/RFO/Chair also needs to carefully read the Internal Audit Checklist to make sure they are supplying the Internal Auditor with all the records that they need to carry out the Audit in a timely manner.

In summary I believe that the Council has adequate accounting records and the Workbook I provided last year has been kept up to date by the Clerk/FRO and has been used for recording, reconciliation as well as Budget Control and the register of Fixed Assets.

There was some misunderstanding on the way that un-presented cheques should be treated through the accounting records but these have been amended and these errors have been shared with the Clerk/RFO so going forward these should not be an issue.

With regard to the fixed asset register ... the guide states that I must ensure that the authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of vat and removing any disposed of/no longer serviceable assets.

The guide also states that I should ...

- Physically verifying the existence and condition of high value, high risk assets may be appropriate
- Ideally, the register should identify for each asset the purchase cost and, if practicable, the replacement / insured cost, the latter being updated annually and used to assist in forward planning for asset replacement
- Additions and disposals records should allow tracking from the prior year to the current
- Ensure that the asset value to be reported in the AGAR at section 2, line 9 equates to the prior year reported value, adjusted for the nominal value of any new acquisitions and / or disposals
- Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or "self-insured" by the Authority

With regard to the Community Centre your draft minutes dated 12th March 2024 read as follows ...

The Clerk has been in contact with Chattertons who confirm that the Community Centre is registered under 2 different title numbers. One relates to the car park, access and the grassed area behind the School House and one relates to the old school building itself. Both titles belong to Stickford Parish Council. They have sent Mapsearches of these areas and confirm that the Parish Council hold the titles for Stickford Village Hall (presumably now Stickford Community Centre). The car park title was registered in 1990 after the 1990 Conveyance. The later title, for the building itself, wasn't registered until 1992. The 1990 Conveyance relates only to the car park etc and states that the 1984 Lease is as a result of the 1990 Conveyance merged and extinguished in the freehold, so it no longer exists as far as that title is concerned.

The Clerk has a copy of the 1990 Conveyance but not the 1984 Lease. She will search in the historic paperwork for it and look to contact Lincolnshire County Council if unsuccessful in locating it. Chattertons have confirmed that there will be a cost involved in the work they have done in preparing this information –

invoice will be sent to the Clerk. A valuation needs to be ascertained too which should be in line with the insurance valuation for a rebuild. The clerk will investigate this too.

As these contain no value I feel that the Community Centre should not be included in the AGAR or on the Fixed Asset register on the Website until a definitive value is known and the Council has formally agreed for it to be included and published.

The current published register is showing as below but does not match the register contained within the accounting records and needs amending accordingly.

Fixed Assets as at 31st March 2023

Year Purchased	Asset	Value	Purchased From	Location of Fixed Asset
1923	War Memorial	£10,771.00		Junction Fen Road/Cole Lane
	26.25 Acres - Farming Allotments	£1.00		Off Fen Road
This land has a nominal value of £1 as quoted by LALC, the land being used for the Statutory purpose as set out by the legal powers of the Parish Council by provision of allotments.				
2024	Bus Shelter	£2,000.00		A16 North Bound
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2024	Bus Shelter	£2,000.00		A16 North Bound
2024	Bus Shelter	£2,000.00		A16 North Bound
	Public Bench	£600.00		A16 Hag Rd side
	Notice Board - to be removed	£0.00		A16 Hag Rd side
2023	Notice Board	£1120.00		A16 Junction Fen Road
	Notice Board - donated to Church March 2024	£0.00		Church
	Dog Bin	£40.00		Top of Cul-De-Sac
	Dog Bin	£40.00		Junction Fen Road/Cul de Sac
	Dog Bin	£40.00		Dead end Hagnaby Road
	Dog Bin	£40.00		Public Path/airfield Hag Lane
	Dog Bin	£40.00		Back Lane
	Laptop & keyboard	£300.00		Parish Clerks house
2024	Printer	£180.00		Parish Clerks house
	Projector	£100.00		Chairmans house
	Shredder	£75.00		Parish Clerks house
	Filing Cabinet	£100.00		Parish Clerks house
2020/21	4 Stroke Strimmer	£345.00	Tongs of Spilsby	Chairmans house
202-21	4 Stoke Mower	£499.99	RH Crawford	Chairmans house
August 2021	Bench	£697.18	Glasdon	A16 by noticeboard
March 2023	Bench	£845.49	Glasdon	War Memorial Clock garden
1990	Community Centre	750,000		Church Road
		£773,834.66		

Finally, I must inform you that this will be my last audit for Stickford Parish Council as my life has changed considerably and I am looking to do less of this type of work.

23.04.2024