

Report to Ashdon Parish Council

Internal Audit of the Accounts for the Period Year Ending 31st March 2024

The primary objective of Internal Audit is to independently review, appraise and provide assurance upon the control environment, making sure that controls are mitigating the Council from increased risk exposure, and to achieve this, the internal auditor will adopt a predominantly systems-based approach to audit.

The Accounts for the year ending 31st March 2024 can be summarized as follows:

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| Income for year: | £59,883.78 |
| Expenditure to date: | £46,764.57 |
| Precept figure: | £43,160.00 |
| General Reserves: | £85,571.62 |
| Earmarked Reserve: | <i>£None seen but of the above GR should £17,120.00 be an earmarked reserve as at year-end?</i> |

The following Internal Audit work was conducted on the adequacy of systems of internal control in accordance with the scope previously approved by the Council with particular emphasis upon the following:

- Review and assess the soundness, adequacy, effectiveness and reliability of financial and performance management systems
- Review and assess the efficiency and effectiveness of internal control arrangements and working practices and make recommendations to improve these where appropriate
- Review and assess the adequacy of procedures to ensure the Council's assets and interests are adequately protected and risks are identified and effectively managed
- Check for compliance with legislation and the Council's integrity and ethical standards, policies and procedures

Comments and any recommendations arising from the review are made below.

| Subject & tests conducted | Comments/Recommendations |
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| <p>1. Proper book-keeping. Examination of</p> <ul style="list-style-type: none"> • Cashbook • Reconciliations of cashbook | <p>The council has used an excel spreadsheet as its cashbook which provides adequate detail to produce reports on a receipts and payments basis. Cash books do not appear to be reconciled on a regular basis although the cashbook seen did contain year-end totals.</p> <p>Council should be aware that proper practices advises that, in order to ensure its accounting procedure gives a more accurate presentation of the council's true financial position, council should look to focus on the balance of economic benefits that it has under its control, rather than just its bank balance. Clear financial management information should be provided to the council on both a quarterly (barest minimum) and an annual basis.</p> <p><i>Comment: council might wish to see the cashbook make reference to the powers used to incur expenditure which would show that council has understood that statutory powers, granted by Parliament, give local councils the choice or opportunity to take action and are therefore discretionary. Like all powers given to public bodies the powers of local councils are defined in detail in legislation and these details may include a requirement to obtain the consent of another body. Clarity of the power being used would allow it to demonstrate that it has exercised its powers subject to the provisions of the general law.</i></p> |
| <p>2. Payment controls. Examination of:</p> <ul style="list-style-type: none"> • Understanding of the process involved for reclaiming VAT • Expenditure controls • IProcurement controls • s137 payments • Loans | <p>VAT is identified in the cash book and the reclaims for the first three quarters were seen and verified with settlement evidenced in the council's banking statements. The cashbook records VAT for the year as £4,481.49. Evidence of the claims submitted during the year were seen as produced by the RFO. Of the aforementioned sum, £210.40 is VAT refundable as at year-end.</p> <p>During the year under review, the council placed orders for works to the Ashdon Village Hall which is managed by the Village Hall Management Trust with the parish council being the sole trustee. All were deemed to have been settled during the year with appropriate inter account transfers into the Village Hall account for the settlement of VAT reclaims made by the council in accordance with the reclaims for the charity's non-business purposes.</p> <p><i>Comment: council is acting within the parameters of VAT Notice 749 item 6.5 which allows for VAT to be reclaimed when the parish council is acting as sole trustee of a trust provided that it acts as sole managing trustee without payment, that the activities of the trust relate closely to the functions of the parish council and the claims relates to the non-business activity of the trust.</i></p> <p>A selection of random payments were cross checked against payment authorisation slips, cash book, bank statement and invoices and all were found to be recorded/ authorised in accordance with Proper Practices. From the cheque books seen, the cheque book counterfoils were initialled</p> |

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| | <p>by signatories in verification of the payment. A spot check of payments made under contractual terms were further analysed and all were found to be in accordance with agreed schedules and sums approved.</p> <p><i>Comment: for clarity and transparency the appendices submitted at each meeting, details the payee, description of invoice, gross amount and cheque number. As such the appendices are countersigned by the Chair at the following meeting at which the minutes are approved.</i></p> <p>Council has continued with the two-tier security system for payments which are settled by cheque. The system ensures that the instructions for each payment are signed by two of three authorised bank signatories and that the invoice and cheque stub counterfoils are initialled by signatories in verification of the payment, as required by the council's financial regulations (6.5).</p> <p>Payments made under the LGA 1972 s137 power for the year under review totalled £1,157.00 and were within statutory limits and deemed to be of benefit to those living in the area.</p> <p><i>Comment: whilst the council operates the grants or donations within the remit of the eligibility criteria. It should ensure that there is evidence that the statutory limit (£9.93 per elector) is adhered to, and that the expenditure is on purposes for the direct benefit of its area, or part of its area, or all or some of its inhabitant.</i></p> <p>Council has no Public Works Loans.</p> |
| <p>3. Standing Orders & Financial Regulations</p> <p>Examination of:</p> <ul style="list-style-type: none"> • Compliance • Annual Review • Adherence • Appointment of Responsible Financial Officer | <p>The Standing Orders, as seen on the Parish Council's website were reviewed at the meeting of 8th January 2024 and are based on the latest model published by the National Association of Local Councils (2022) with appropriate amendments. Council is aware of the requirement to ensure that its orders are fully tailored to the parish council, that they are compliant with legislation and are adapted (where they are not statutory requirements) to ensure that they are relevant to the Parish Council.</p> <p><i>Comment: council might also wish to note the Procurement Thresholds amendments (SI 2022/139) of the Public Contracts (Amendment) Regulations 2022 which came into force on 21st December 2022, and which will require amendments to Standing Order 18av and 18c.</i></p> <p>Financial Regulations (FR), were also reviewed at the meeting of 9th November 2023 and are based on the NALC Model Financial Regulations 2019.</p> <p><i>Comment: at the next annual review, Council might wish to also review the Procurement Thresholds amendments (SI 2022/139) of the Public Contracts (Amendment) Regulations 2022 which came into force on 21st December 2022 and make the changes to the contract value limits from £25,000 to £30,000 for non-central government authorities. The contract value limits are to be calculated inclusive of VAT (effective from 1st January 2022).</i></p> |

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| | <p>Note: Council should also note that NALC have advised that the new model financial regulations, which take into account changes to the contract value limits, are available for councils to adopt at the earliest opportunity.</p> <p>During the year under review, the Council, in accordance with proper practices and with reference to section 151 of the Local Government Act 1972, employed a Responsible Financial Officer (RFO) who is responsible for the financial administration of the authority. Council's own FR1.8 confirms such an appointment is in place.</p> |
| <p>4. Risk Management.</p> <ul style="list-style-type: none"> • Annual Review and Minuted • Review of risks associated with <ul style="list-style-type: none"> ➤ Financial Management ➤ Cemetery ➤ Building/ Assets • Fidelity Guarantee Cover Insurance <ul style="list-style-type: none"> ➤ Adequate ➤ Reviewed • Internal Controls documented and regularly reviewed • Insurance Policy reviewed, cover appropriate and adequate | <p>The risk assessment documentation submitted for Internal Audit provides details of the risks associated with the functioning of a smaller authority and the measures that the Council will undertake to mitigate such risks. The risk assessment documentation, for the year under review, is not dated but was presented and approved for adoption at the meeting of 3rd April 2023.</p> <p>The documentation seen demonstrates that council is aware that its risk assessment needs to focus on the safety of the parish council's assets and in particular its money, it needs to demonstrate on an annual basis that it has taken actions to identify and assess those risks and that it has considered what actions or decisions it needs to take during the year to manage in order to avoid financial or reputational consequences. The minutes provide evidence that there is the opportunity to conduct general examination of the working conditions, workplace activities and environmental factors that will enable the parish council to identify any and all potential inherent risks. Overall the council has recognised that it has a responsibility to take all reasonable and practical measures to safeguard the services it provides, its employees and the environment in which it is located.</p> <p><i>Comment: whilst there is evidence that overall the council has reviewed the risks associated with the functioning of a smaller relevant body, council is advised to ensure that any review documentation is dated.</i></p> <p>There is no formal evidence (via a minute reference) to reflect that Council formally reviewed the effectiveness of its review its internal controls for the year 2023 – 2024. Whilst the council has specific control procedures for payments made by cheque, council needs to note that it is required to undertake a formal review of its control mechanisms in place to ensure that all reasonable steps are taken to safeguard and protect public finances. Proper practices states that this should be done annually.</p> <p>Recommendation: in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, council should conduct a formal review of its system of internal control and should have in place monitoring documents which would identify the risks involved with and the potential for improvements to its arrangements to protect public money. Council is advised to consider</p> |

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| | <p>regular reviews by a non-signatory, thereby separating the roles of overview from that of authorisation, of the effectiveness of its system of internal control to ensure that it has mitigation measures in place to address the risks associated with the management of public finances.</p> <p>Council's Insurance Document was seen during the time of internal audit and the following were verified: Public / Products liability cover is £10million, Employer's Liability cover is £10million and Fidelity Guarantee is £1000thousand. Fidelity Guarantee (Employee's Dishonesty) cover at £100,000 is in accordance with guidance, which provides that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants to be received in the following April/May. Council has ensured that balances and cash flow are monitored to ensure that cover is appropriate as balances increase. At renewal, council is in a 3-year long-term undertaking.</p> <p><i>Comment: in accordance with Proper Practices, Council has identified its key risks and taken steps to manage them in a way which it can justify to a level which is tolerable by transferring the risk and buying in services from specialist external bodies and taking out insurance. Overall Council has understood the requirement to have in place safe and efficient arrangements to safeguard public money.</i></p> <p>Recommendation: noting that it is the responsibility of the whole Council to satisfy itself that insurances are adequate and that having identified, assessed and recorded the risks, appropriate measures, such as the appropriate use of insurance cover, council might wish to formally record via a minute reference that it has taken such action to mitigate and manage such risks.</p> |
| <p>5. Budgetary controls.</p> <p>Examination of:</p> <ul style="list-style-type: none"> • Verification of process of setting of budget • Monitoring of budget • Reserves | <p>Full Council approved the budget for 2023-2024 at its meeting of 9th January 2023 From paperwork seen on the website it is noted that the revenue budget set in the sum of £82,110 would be funded by the precept, community grants and annual rental from the White Horse.</p> <p><i>Comment: Council is aware that the preparation of an annual budget is one of the key statutory tasks to be undertaken by an authority, and for clarity and transparency it should ensure that the level of budget is clearly evidenced in the Council's minutes and any appendices included with the minutes are uploaded to the website.</i></p> <p>A review of the budget including detailed income and expenditure position is reported to council in accordance with council's own Standing Orders. Evidence was seen of budget report to actual with committed expenditure and funds available, attached as appendices to the approved minutes.</p> <p><i>Comment: Council shows good practice by following the recommended key stages as to the budgetary process to be followed for the year:</i></p> <ul style="list-style-type: none"> • <i>decide the form and level of detail of the budget;</i> |

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| | <ul style="list-style-type: none"> • <i>review the current year budget and spending;</i> • <i>determine the cost of spending plans;</i> • <i>assess levels of income;</i> • <i>bring together spending and income plans;</i> • <i>provide for contingencies and consider the need for reserves;</i> • <i>approve the budget;</i> • <i>confirm the precept or rates and special levies; and</i> • <i>review progress against the budget regularly throughout the year.</i> <p>The Council, as at 31st March 2024, had overall reserves totalling £85,571.62 with none allocated as earmarked reserves. Council should be aware of the guidance as issued by Proper Practices which states that it is regarded as acceptable for a council's general (non-earmarked revenue) reserves to be equal to 3 to 12 months of Net Revenue Expenditure and should ensure that the level of general reserves adopted is in accordance with its General Reserve Policy. There is no upper limit for Earmarked Reserves, but they should be held for genuine and intended purposes and their level subject to regular review and justification (at least annually).</p> <p>Recommendation: Council should note guidance as issued under the Practitioners Guide March 2024 which states that an authority needs to adopt, as a general reserve policy, the level of reserves that are appropriate to their size, situation, risks and plan their budget so as to ensure that the adopted level is maintained. Council should have in place a General Reserve Policy and have reviewed the level and purpose of any set earmarked reserves.</p> <p><i>Comment: of the above general reserves, it is expected that a sum of £17,120.00, being the White House rental income from the year 31st March 2028 to 31st March 2023 owed to the Village Hall Charitable Trust, be allocated as an earmarked reserve. (Minutes of 8th January 2024 provide clarity on the agreed sum).</i></p> |
| <p>6. Income controls.</p> <p>Examination of:</p> <ul style="list-style-type: none"> • Precept • Other income • Debtors | <p>Council received precept in the sum of £43,160 from Uttlesford District Council for the year in April and September 2023 as reported to full council within its financial reports at its meetings in May and September 2023. Evidence was provided showing a full audit trail from precept being discussed and approved to being served on the Charging Authority to remittance advice showing the precept to be paid and receipt of same in the Council's Bank Account. The precept was approved at the meeting of 9th January 2023 with the minutes providing clarity and transparency in the recording of the amount being set and the impact that this would have overall which was a 2.65% reduction (£3.02) on the previous year. The precept to be set would be £111.04 for the year 2023-2024 for a Band D dwelling.</p> <p>The precept for the year 2024 – 2025 was discussed and approved at the meeting of 8th January 2024 with the minutes demonstrating that this be set at £43,1160 which although the same level as that for the previous year, would equate to a 1.2% (£1.31) increase on that set for the previous</p> |

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| | <p>year. The precept to be set would be £112.35 for 2024-205 for a Band D dwelling. <i>Comment: council has shown best practice by ensuring that the minutes reflect the increase per household per year and the ensuing Band D Property Tax Bill for the coming year.</i></p> <p>Spot checks on further items paid under BACS / Direct Credit into the council's accounts were cross checked against cashbook, bank statements and invoices raised by the parish council. All were found to be in order with a clear underlying audit trail. Income received is reported to full council within the financial reports submitted at each meeting.</p> <p>It is confirmed that burial fees and charges at the Cemetery were reviewed in February 2024 with new fees and charges being implemented from 1st April 2024. There is a formal burial register showing details of payments for interments and memorials with fees being charged at the correct approved rate and recovered in a timely manner.</p> |
| <p>7. Payroll controls. Examination of:</p> <ul style="list-style-type: none"> • Management of payroll • PAYE/NIC system in place • Compliance with HMRC procedures • Records relating to contracts of employment • Compliance with Pensions Duties • Treatment of expenses | <p>At the year-end council had one employee on its payroll, although it is noted that the post is currently vacant and being covered by a Locum Clerk.</p> <p>The payroll function for the year under review was outsourced and confirmed to have been conducted in accordance with prevailing regulations.</p> <p>Cross-checks on the year under review were completed on a sample of payments covering salary and PAYE and were all found to be in order and operated in accordance with HM Revenue and Customs guidelines. In accordance with Proper Practices, PAYE taxes and employee and employer National Insurance contributions (NIC) are calculated and recorded for every employee. Deductions are paid to HM Revenue and Customs on or before the dates prescribed.</p> <p>It is confirmed that the NJC pay award as outlined in E01-23 Local Government Services Pay Agreement 2023 has been applied to the relevant staff member in post at the time the pay award became effective.</p> <p><i>Comment: There are robust payroll arrangements in place which ensures the accuracy and legitimacy of payments of salaries and wages, and associated liabilities and as such the council has complied with its duties under employment legislation.</i></p> <p>Salaries are paid in accordance with contracted hours. <i>Comment: whilst council has ensured that the remuneration payable to all employees has been approved in advance by the Council, it is advised to ensure that budgetary processes take account of changes to employment contracts in terms of pay awards and associated adjustments made during the year.</i></p> |

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| | <p>It is unclear as to whether council is aware of its pension responsibilities under the Pensions Act 2008 as no evidence was seen of the declaration (or declaration) of compliance with the Pensions Regulator</p> <p><i>Comment: council should be aware that every employer must put certain staff into a workplace pension scheme. This is known as automatic enrolment. This is an employer's legal duty, and councils must let the Pension Regulator know when they have completed the task by completing and submitting a declaration of compliance.</i></p> <p>For further guidance: https://www.thepensionsregulator.gov.uk/en/employers</p> <p><i>Comment: every three years you must put certain staff who have left your pension scheme back into it. This is called re-enrolment.</i></p> <p>For further guidance: https://www.thepensionsregulator.gov.uk/en/employers/re-enrolment</p> |
| 8. Petty cash/expenses procedure. | Council does not operate a system of petty cash. |
| 9. Bank reconciliation. Examination of: <ul style="list-style-type: none"> • Reconciliations • Cashbook • Bank Statements | <p>The appendices attached to the minutes demonstrate that bank balances were reported and received at each meeting, It is assumed that reconciliations were completed to reconcile with the cash sheets.</p> <p><i>Comment: council is aware that, in accordance with Proper Practices, the bank reconciliation is a key tool for management as it assists with the regular monitoring of cash flow which aids decision-making, particularly when there are competing priorities.</i></p> <p>Proper Practices states that bank reconciliations should be prepared routinely, subject to independent scrutiny and signed by members. Section 5.18 states that "It is a requirement of the current model financial regulations that bank reconciliations be prepared regularly, approved by members and signed as part of the regular minute record."</p> <p><i>Comment: council might wish to consider the benefits of implementing a system whereby the Chair independently reviews the bank reconciliation and confirms, via a minute reference, that such a review has taken place. This is not only good practice but is also a safeguard for the RFO and fulfils one of the authority's internal control objectives.</i></p> <p>Reconciled bank balances as at 31st March 2024 stood at £85,571.62 (taking into account unpresented cheques as at 31st March 2024).</p> |
| 10. Asset control. Examination of: <ul style="list-style-type: none"> • Asset Register • Checks on existence of assets • Recording of fixed asset valuations • Cross checking on insurance cover | <p>The asset register for the year-ending 31st March 2024 has not yet been approved by full council but the draft AGAR shows an asset value of £143,682. The register for 31st March 2023 reflected those items listed under insurance and within the parish council's remit for maintenance and ownership. The Asset Register stood at £602,952.79 broken down as fixed assets £130,724.55 and community assets £472,178.24. A number of assets have been stated as at the acquisition cost (where known) and where assets have been gifted or where there is no known value have</p> |

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| | <p>been given the proxy value of £1.</p> <p><i>Comment: Council follows the requirements for smaller authorities to record each asset at its original purchase cost or where the original purchase cost is unknown at the time of first recording on the asset register, a current value is recorded, which acts as a proxy value to the original cost and will remain unchanged until disposal.</i></p> <p>Recommendation: council's asset register shows a value for Consolidated Stock and War Stock at a value of £50.00. The War Stock and Lloyds Bank Share Certificates owned by the Council were not presented to the Internal Auditor to examine and council is advised to ascertain their whereabouts and consider the merit of the retention of this stock.</p> <p>It is noted that the meeting of 21st August 2023, following advice received on the correct management of the Ashdon Village Hall Charity, demonstrates that the council resolved to remove references to the Village Hall from the parish council assets register. The revised asset register has reflected the removal of the village hall asset value and has been stated as £143,682.</p> <p>Recommendation: as advised by the external auditor, where there is a restating of the figures during the year under review, the prior year figures must also be restated – Practitioner's Guide reference 5.172.</p> <p>From a review of the asset register of 31st March 2023, alongside the insurance cover provided, confirmation is given of the overall adequacy of cover of insurance for the ensuing year. Appropriate insurance is in place under generic category headings based on policy declared values.</p> |
| <p>11. Internal Audit:</p> <p>Examination of:</p> <ul style="list-style-type: none"> • Reporting of Previous Internal Audit Reports • Review of internal audit • Appointment of internal auditor | <p>The Internal Audit Report for the period ending 31st March 2023 was submitted to the parish council at the meeting of 22nd June 2023. The minutes of the meeting confirm that due to matters raised by the internal auditor concerning the correct accounting procedures to be followed with regards to the management of the Village Hall, a delay would be requested from the external auditor prior to the submission of the year-end AGAR and associated documentation. The minutes of 24th July 2023, confirm that council formally received the internal auditor's report and accounts for the fiscal year 2022-2023. The Annual Internal Audit report for the year ending 31st March 2023 confirms that Assertion M and Assertion O were answered in the negative as council did not provide correctly for the period of the exercise of public rights and it did not meet its responsibilities as a trustee.</p> <p>In accordance with the Accounts and Audit Regulations 2015, the Parish Council formally reviewed the scope and effectiveness of its internal audit arrangements at the meeting at which the independent internal auditor was appointed for the year under review. Mrs Mangham was appointed to act as the parish council's independent internal auditor, for the year 2023-2024 at</p> |

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| | <p>a meeting of full Council of 21st August 2023.</p> <p>The minutes of 13th May 2024 (draft) confirm the amendment to council's decision of 21st August 2023, with council agreeing to appoint Mrs Waples as the parish council's independent internal auditor.</p> <p><i>Comment: Council has understood the requirements, under proper practices, that it should have in place a letter of engagement detailing roles and responsibilities for internal audit, audit planning and timing of visits, reporting requirements; access to information; period of engagement and remuneration.</i></p> |
| <p>12. External Audit</p> <p>Examination of:</p> <ul style="list-style-type: none"> • Reporting of External Audit Report • Publication requirements | <p>There is no minute to reflect that the External Auditor's Certificate and Report for the year ending 31st March 2023 (as produced on 15th November 2023) was considered by the parish council.</p> <p>A review of the External Audit Certificate on the Council's website notes that "we note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as it failed to make proper provision during the year 2023/24 for the exercise of public rights since the period for the exercise of public rights did not include the first 10 working days of July. As a result of this, the smaller authority must answer "NO" to Assertion 4 of the Annual Governance Statement for 2023/24 and ensure that it make proper provision for the exercise of public rights during 2024/25".</p> <p>Recommendation: in accordance with the external auditor's instructions, council should answer in the negative to assertion 4 of the Annual Governance Statement for the year ending 31st March 2024.</p> <p>In accordance with the Accounts and Audit Regulations 2015, as a smaller authority with either income or expenditure exceeding £25,000 but not exceeding £6.5 million, it is confirmed that the council published the external auditors report (interim certificate), the audited AGAR and the conclusion of the audit by 30th September 2023.</p> <p><i>Comment: council might wish to note that it is recommended best practice that the Annual Internal Audit Report is also published on the council's website.</i></p> |
| <p>13. Year-end procedures.</p> <p>Examination of:</p> <ul style="list-style-type: none"> • Appropriate accounting procedures used • Bank Statements and Cash Book agree • Has the appropriate end of year Annual Governance and Accountability Return (AGAR) documentation been completed? • Where an authority certified itself exempt in 2022/23 did it met the exemption criteria and correctly declared itself exempt? | <p>Council's gross income and expenditure level is below the threshold of £200,000 and has been for three (3) continuous years. Council's operating under this limit may choose either to report on an income and expenditure (I&E) basis or on a receipts and payments (R&P) basis.</p> <p><i>Comment: it is noted that Council, for the year 2023-2024 has reported its financial matters on a receipts and payments basis. This allows the council to only consider its actual bank and cash transactions and allow for the entries onto the AGAR to be taken straight from the summary totals in the cash book.</i></p> <p>Recommendation: as council has changed the manner in which it reports its transactions, amendments will need to be made to the prior year and the words RESTATED written across the column for 2022-2023.</p> |

- **Was there the opportunity provided for the exercise of electors' rights during Summer 2023?**
- **Have the publication requirements been met in accordance with the Audit & Accounts Regulations of 2015.**

The internal auditor is able to confirm that there is an underlying financial trail from financial records to the accounts produced.

As the Council is a smaller authority with gross income and expenditure exceeding £25,000 but not exceeding £6.5million it will be required to complete Part 3 of the AGAR. The Annual Governance and Accountability Return (AGAR) to be presented to full Council for approval was examined and the following figures agree with those submitted by the RFO for inclusion in Section 2 Accounting Statements 2023 – 2024 (rounded for purposes of the Return): *it is upon these figures that the internal audit review was completed.*

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| Balances brought forward (01.04.23) | Box 1 | 72,451 |
| Annual Precept 2023/24 | Box 2 | 43,160 |
| Total Other Receipts | Box 3 | 16,724 |
| Staff Costs | Box 4 | 6,760 |
| Loan Interest / Capital Repayments | Box 5 | 0 |
| Total Other Payments | Box 6 | 40,004 |
| Balances Carried Forward | Box 7 | 85,571 |
| Total Cash and Investments | Box 8 | 85,571 |
| Total Fixed Assets (<i>as amended</i>) | Box 9 | 143,682 |
| Total Borrowings | Box 10 | 0 |

As the Council was a smaller authority with gross income and expenditure exceeding £25,000 during the year 2022/2023, it was not able to certify itself as an exempt authority.

As stated above, for the year 2022-2023, Council failed to correctly provide for the exercise of elector's rights during Summer 2023 and failed to publish the notice of public rights and associated documents prior to the commencement of the public rights period. Within the Internal Audit Report, Internal Control Objective N requires the Internal Auditor to ascertain whether the authority complied with the publication requirements for the prior year AGAR. Given the dates set – 27th July – 12th September 2023, the internal auditor concludes that they fail to meet the statutory requirement 30 working day period which must include the first fourteen working days of July.

Recommendation: council is advised to ensure that it fully and accurately completes the notice of public rights and publishes (including publication on the smaller authority's website) the following documents, the day before the public rights period commences:

- a) the approved Sections 1 and 2 of Form 2 of the AGAR; and
- b) the completed Notice of Public Rights and Publication of Annual Governance &

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| | <p>Accountability Return (Exempt Authority).</p> <p>The Council has partially complied with the requirements of the Accounts and Audit Regulations 2015 for smaller authorities with income and expenditure not exceeding £25,000 and published the following for the year 2022/23 on a publicly accessible website: those in bold are missing from the website</p> <p>Annual Internal Audit Report of the AGAR</p> <p>Section 1 – Annual Governance Statement of the AGAR - unaudited</p> <p>Section 2 – Accounting Statements of the AGAR - unaudited</p> <p>Notice of the period for the exercise of public rights and other information required by Regulation 15 (2), Accounts and Audit Regulations 2015.</p> <p>Conclusion of the audit</p> <p>Section 3 – The External Auditor Report and Certificate</p> <p>Sections 1 and 2 of the AGAR including any amendments as a result of the limited assurance review.</p> <p><i>Comment: Council might wish to note that there is a requirement to ensure that the audited Sections 1, 2 and 3 remain available for public access for a period of not less than 5 years from the date of publication.</i></p> |
| <p>14. Transparency Code.</p> <p>Examination of:</p> <ul style="list-style-type: none"> Transparency code requirements | <p>Councils with gross income and expenditure under £25,000 are required to follow the Local Government Transparency Code 2014 for smaller authorities and ensure that the following are published on a public website in accordance with the dates prescribed by the relevant regulations (not later than 1 July):</p> <p>Internal Audit Report; List of Councillors and Responsibilities; Items of Expenditure Above £100 including recoverable and non-recoverable VAT; End of Year Accounts; Annual Governance Statement; Asset Register and that Agendas of Meetings; Associated Papers and Minutes should be published in accordance with the prescribed timescales as set out in the code for smaller authorities.</p> <p><i>Comment: salaries are exempt from the requirement to list items of expenditure above £100.</i></p> <p>Councils with annual turnover exceeding £200,000, to ensure full compliance with the requirements of the Local Government Transparency Code 2015, should be aware of the following publication timescales:</p> <p>quarterly: individual items of expenditure that exceed £500 (currently published on an annual basis); Government Procurement Card transactions; Invitations to tender for contracts over £5,000; Details of contracts that exceed £5,000;</p> <p>annually: details of all land and building assets; Grants to Voluntary, Community and Social Enterprise Organisations; Organisational Chart</p> <p><i>Comment: councils that fall between both thresholds are expected to follow the Local</i></p> |

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| | <i>Transparency Code 2015 and the council might wish, as a commitment to openness and transparency, to consider maintaining and monitoring the council's website so that it is updated regularly with the above information.</i> |
| 15. General Data Protection Regulations (GDPR). Examination of: <ul style="list-style-type: none"> • Compliance with GDPR requirements • ICO Registration | <p>As noted within the minutes for the year under review, Council is aware that it should take steps to ensure compliance with the requirements. A Privacy Statement is available to view on the council's website detailing some or all of the ways the council gathers, uses, discloses and manages officer, councillor and members of the public personal data.</p> <p>Recommendation: to be fully compliant with the General Data Protection Regulation requirements, council should adopt and publish the following policies on their website: Data Protection Policy which would detail the framework that the public can expect for the handling of requests from individuals who have the right to know what data is held on them, why the data is being processed and whether it will be given to any third party; Data and Electronic Information Retention Policy which will detail the periods for which documentation will be held along with the methods of disposal; Subject Access Policy which will detail the procedures for dealing with subject access and a Data and Information Security Policy for dealing with data breaches.</p> <p>Templates should be available from the Local Association of Local Council's website.</p> <p>Council does not appear to be correctly registered with the Information Commissioner's Office (ICO) as a Data Controller in accordance with the Data Protection Legislation. Council is advised to review the review the ICO's information on this matter. Further information of compliance with Data Protection can be found here: ICO's Local Council Data Protection Toolkit to understand its handling of key personal data.</p> <p>Recommendation: it is considered that the Council is a Data Controller as it holds such details that are considered to be sensitive and personal and must register with the ICO as such.</p> <p>Council does not appear to have adopted a Model Publication Scheme.</p> <p>Recommendation: under the Freedom of Information Act 2000, public authorities must provide access to information held which must be published proactively. The Freedom of Information Act requires every public authority to have a publication scheme and to publish information covered by the scheme. Council is advised to adopt such a scheme. Further information can be found here: ICO Model Publication Scheme</p> |
| 16. Responsibilities as a Trustee | <p>The Council is the sole trustee to Ashdon Village Hall Charity (Registration No. 802864). The Charity Commission records the registration as being effective 22nd March 1990 with the charity owning/or leasing land and property and has been established to run and maintain the Village Hall for the residents of Ashdon. The reporting to the Charity Commission is up to date with the charity commission website stating that the annual return for the year ending 31st March 2023</p> |

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| | <p>was submitted on 29th January 2024 on time. Council is kept apprised of any issues arising with the village hall, but it is noted that there is interconnection with the charity accounts and that of the parish council. The Village Hall Management Committee hold separate meetings to discuss matters covering the Trust's transactions in accordance with the trust's documents. During the year, the council has followed guidance which states that the value of a trust property must not be shown in its books of accounts and on the AGAR as the parish council's property and has removed the value of the Village Hall from the council's asset register. At the meeting of 8th January 2024, following advice given, the parish council agreed to transfer to the Charity the monies held in its accounts being the White Horse House rental for the period 1st March 2028 to 31st March 2023. The monies outstanding for the year 2023-2024, once settled, would also be transferred.</p> <p>Recommendation: As council has not separated the financial accounts of the Trust from those of the parish council, it is recommended that it answers in the negative to 11b and provides an explanation to the external auditor indicating that the accounts are interconnected, and that agreement has been reached to ensure this matter is resolved during the coming year.</p> <p><i>Comment: as sole trustee, the council should receive the Annual Accounts of the Charity and review the level and activity of the charity and review the Independent Examiners report to ensure that the council is able to confirm that it has met the requirements of the Charity Act 2011.</i></p> |
| <p>17. Additional comments.</p> <p>Examination of:</p> <ul style="list-style-type: none"> • Annual Meeting • Signing of Declaration of Acceptance of Office • Register of Interests • Minutes • Treatment of Apologies • Openness of Local Government Bodies Regulations 2014 • Policies • Accessibility for websites and Mobile Applications • Use of secure email | <p>Council held its Annual Meeting of the newly elected parish council on 15th May 2023 with the election of the Chair the first item on the agenda in accordance with legislation.</p> <p>In accordance with section 83(4) of the 1972 Act, Council has ensured that all Councillors, on being elected to office, have signed a declaration of acceptance of office in the presence of another councillor or the clerk. This was done before or at the first meeting of the council after the election, and where permitted by the council at that meeting, by a later date fixed by the council.</p> <p>Evidence was seen on the District Council's website of the Register of Interests for all current serving councillors.</p> <p><i>Comment: council is advised to provide a link direct to the District Council's webpage for Register of Interests for Ashdon Parish Council.</i></p> <p>In accordance with the Local Government Act 1972 Schedule 12 para 41 (1), Council is aware that the looseleaf minutes and associated documents of the parish council should be initialled and signed by the person chairing the meeting at the time of signature which ensures their lawful providence. During the year under review, at each meeting the Council has approved the minutes and given further approval for the minutes to be signed after the meeting.</p> |

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| | <p>Whilst the minutes show apologies given (where applicable), there is no formal record to show that Council has approved the apologies submitted.</p> <p>Recommendation: s85 of the 1972 Act states that “..if a member of a local authority fails throughout a period of six consecutive months from the date of his last attendance to attend any meeting of the authority, he shall, unless the failure was due to some reason approved by the authority before the expiry of that period, cease to be a member of the authority.” Council is advised to ensure that all absences are not merely recorded but approved by the Council thereby ensuring that the absence is not treated as unapproved. An accidental or unforeseen absence at a subsequent meeting could then lead to an unnecessary disqualification. NALC LTN 5 provides further clarity on this matter including the good practice of seeking approval for an apology in writing.</p> <p>The Openness of Local Government Bodies Regulations 2014 were enacted on 5th August and came into force on 6th August 2014. These regulations allow for the filming and recording of Council meetings (and other specified public bodies) and provide for access to records (e.g. of decisions made by officers).</p> <p><i>Comment: council might wish to review the provisions of the 2014 Regulations to ensure that, by publishing a range of information online, it is compliant with the provisions of the 2014 Act.</i></p> <p>The Regulations of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018 was enacted on 23rd September 2018. The regulations aim to ensure public sector websites and mobile apps are accessible to all users, especially those with disabilities.</p> <p>Recommendation: council should consider publishing technical information about the council operated website detailing the technical information of the website along with the methods used for testing the website; the steps being taken to improve accessibility and how the site is being improved to ensure that content meets the WCAG 2.1 Standard under Regulation 8 of the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018. Once the review is complete, council should produce an Accessibility Statement detailing how information will be produced on its website and how to gain access to content that is not readily accessible.</p> <p>From a review of the council’s website, there appears to be limited adopted policies in use and, as part of the council’s development, a range of policies and protocols relevant to the council’s responsibilities and its duties will be required to assist in achieving effective governance and administration.</p> <p>Comment: in order to work towards Best Practice, council should consider adopting a wider range of policies and protocols and, to ensure clarity on the relevance of each policy, ensure</p> |
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| | <p>that review details are included on each document thereby demonstrating that they are to be regularly reviewed, fit for purpose, and adhered to.</p> <p>There is no dedicated email account that is administered solely by the Clerk for the council's business. Councillors use their own emails for parish council business. Council should be aware of the importance of ensuring that it uses a secure e-mail system thereby identifying that it has local government status and demonstrating authenticity when building trust and credibility with the public. It might wish to note guidance as contained within proper practices which recommends that a secure email system with a GOV.UK domain name be used to support council's official email accounts for officers and councillors.</p> <p>Recommendation: Council might wish to consider comments raised in the Practitioners Guide to Proper Practices (effective March 2024) paragraph 1.26 which states that every authority should have an email account that belongs to the council and to which the council has access. Further guidance issued over the use of a secure e-mail system with a gov.uk address with dedicated email addresses for councillors can be found at sections 5.210 to 5.219.</p> <p><i>Comment: it is noted that this matter was to be considered at the extra ordinary meeting of 23rd May 2024.</i></p> |
| <p>The Internal Auditor offers her appreciation for the assistance given by the Locum Clerk and Councillors in completing this audit. Acknowledging that the primary role of the internal auditor is to provide independent, objective assurance to members and management that key risks are being managed effectively, a number of comments and recommendations have been made in the light of the year ending 31st March 2024 with areas identified that should be expanded to provide independent assurance that the council's risk management, governance and internal control processes are operating effectively.</p> <p><i>For further information and for the year effective 1st April 2024 please refer to Governance and Accountability for Smaller Authorities in England - A Practitioners' Guide to Proper Practices to be applied in the preparation of statutory annual accounts and governance statements - March 2024.</i></p> | |

Victoria S Waples

Date of Internal Audit Visit: 30.05.2024 and further internal audit work: 16.06.24 & 24.06.2024

Date of Internal Audit Report: 24.06.2024

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