

Report to Thurston Parish Council

The Internal Audit of the Accounts for the year ending 31 March 2024

1. Introduction and Summary.

1.1 The Internal Audit work undertaken confirmed that during the 2023/24 year the Council maintained effective governance arrangements including a robust framework of internal control and risk management. The Internal Audit review, undertaken on the documentation provided to the Internal Auditor and on the information published on the Council's website, has confirmed that the Council maintains an effective framework of financial administration and internal financial control.

1.2 The Council exercises strong governance including a strategic 3-year Business Plan (currently in place for the period May 2022 to May 2025) with measurable objectives. The Council places emphasis upon transparency of its financial operations with detailed and up-to-date information on income and expenditure, accounts and budgets, procurement information, policies and procedures and operational structure published on the Council's website.

1.3 The Council displays many examples of good financial practice and continues to prioritise the maintenance of a high standard of financial management and control. Appropriate formal Policies, Procedures and Protocols have been adopted by the Council and these provide a solid foundation for the continuing operation of strong financial administration.

1.4 The Council was the joint winner of the Suffolk Community Awards Large Village of the Year category in 2023.

1.5 By examination of the 2023/24 accounts and supporting documentation it was confirmed that the Clerk, in the role as the Council's Responsible Financial Officer (RFO), undertook the administration of the Council's financial affairs to a high standard and produced appropriate financial management information to enable the Council to make well-informed decisions.

1.6 The Accounts for the year confirm the following:

Total Income for the year: £299,608

Total Expenditure in the year: £322,210

Total Reserves at year-end: £190,865 (of which £16,943 is Earmarked and £171,970 is CIL Restricted Reserves).

1.7 The Annual Governance and Accountability Return (AGAR) to the External Auditors was examined and the following figures agreed with the Clerk/RFO for inclusion in Section 2 Accounting Statements 2023/24 (rounded for purposes of the Return):

<i>Balances at beginning of year (1 April 2023):</i>	<i>Box 1: £213,467</i>
<i>Annual Precept 2023/24:</i>	<i>Box 2: £152,920</i>
<i>Total Other Receipts:</i>	<i>Box 3: £146,688</i>
<i>Staff Costs:</i>	<i>Box 4: £87,555</i>
<i>Loan interest/capital repayments:</i>	<i>Box 5: nil</i>
<i>All Other payments:</i>	<i>Box 6: £234,655</i>
<i>Balances carried forward (31 March 2024):</i>	<i>Box 7: £190,865</i>
<i>Total cash/short-term investments:</i>	<i>Box 8: £189,221</i>
<i>Total fixed assets:</i>	<i>Box 9: £398,610</i>
<i>Total borrowings:</i>	<i>Box 10: nil</i>

1.8 Sections One and Two of the AGAR are due to be approved and signed at a forthcoming meeting of the Council. The Internal Auditor has completed the Annual Internal Audit Report 2023/24 within the AGAR.

1.9 The following Internal Audit work was carried out on the adequacy of systems of internal control in accordance with the Audit Plan approved by the Council. There is one formal recommendation being put forward arising from the review (as detailed in at item 11.9) as follows:

Recommendation: During 2024/25 the Council should consider protecting its financial assets and comply with the approved Investment Strategy by examining the risks involved in holding sums with one bank and consider the costs/benefits of placing funds within a range of accounts to secure maximum protection under the Financial Services Compensation Scheme (FSCS).

2. Governance, Standing Orders, Financial Regulations and other Regulatory matters (examination of Standing Orders, Financial Regulations, Code of Conduct, Formal Policies and Procedures, Tenders where relevant. Acting within the legal framework, including Data Protection legislation).

2.1 The Annual Parish Council meeting took place on 17 May 2023. The first item of business was the Election of a Chair, as required by the Local Government Act 1972.

2.2 The Membership and Terms of Reference for the Council's Committees were reviewed and agreed by the Council at its meeting on 17 May 2023. The appointment of Councillors to Representative Bodies was also agreed at the meeting.

2.3 In accordance with s151 of the Local Government Act 1972, on 17 May 2023 the Council formally confirmed the appointment of the Clerk as the Council's Responsible Financial Officer (RFO) as part of her contract of employment.

2.4 The meeting on 17 May 2023 also gave approval to the list of payments which arise on a regular basis as the result of a continuing contract, statutory duty or obligation and regular maintenance contracts for the year 2023/24.

2.5 The Council has agreed the powers specifically delegated to the Clerk/RFO under the Scheme of Delegation in place. The Council receive reports of items actioned under delegated powers at each meeting of the Council.

2.6 Standing Orders are in place and reflect the latest model standing orders and guidance issued by the National Association of Local Councils (NALC).

2.7 Similarly, Financial Regulations are in place and also reflect the latest model Regulations and guidance issued by NALC. Revised Model Financial Regulations are due to be published by NALC during 2024/25.

2.8 At its meeting on 7 June 2023 the Council carried out reviews of Standing Orders and Financial Regulations and confirmed that both were fit for purpose and agreed to adhere to them as written.

2.9 The Council works within the Thurston Neighbourhood Development Plan (NDP) which sets the planning and development vision for Thurston until 2036. The local referendum took place on 12 September 2019 and the NDP was approved by voters. Details of the referendum and the NDP have been published on the Council's website. On 24 October 2019, Mid Suffolk DC adopted the NDP, which should give full weight in terms of the Joint Local Plan and a material consideration in all planning matters for Thurston.

2.10 The Council maintains a rolling 3-Year Business Plan which details the Council's overall vision and objectives, strategic planning, key projects, communication and engagement, a listing of specific actions with measurable outcomes and areas of active involvement. At its meeting on 2 August 2023 the Council reviewed and adopted the Plan. A copy of the Business Plan for the period May 2022 to May 2025 has been published on the Council's website.

2.11 At its meeting on 2 August 2023 the Council noted that it met all requirements of the Foundation and Quality Awards and is at the forefront of best practice by achieving an excellent standard in community governance, community leadership and performance management; that it has in place and publishes online policies and processes and resolved to submit the appropriate paperwork for the Quality Gold Award. The Clerk/RFO advised the Internal Auditor that the submissions are still being analysed.

2.12 The Council has a Community Engagement Strategy in place with the aim of constructing a high standard for engagement with its residents and partners.

2.13 The General Power of Competence (GPoC) was adopted by the Council at the meeting on 17 May 2023, the Council having been eligible to exercise this as at least 2/3rds of the total number of councillors were elected at the ordinary election in May 2023 and because the Clerk holds the Certificate in Local Council Administration (CILCA). Having met the conditions, the Council noted that the Power remains in force until the next full election of the Council in May 2027 (Minute 11c refers).

2.14 The Council's Minutes are comprehensive and very well presented and provide clear evidence of the decisions taken by the Council in the year. Each page of the

Minutes is consecutively numbered. The Council demonstrates good practice by promptly publishing a draft copy of Minutes and a final copy following approval by Councillors.

2.15 The Council is registered with the Information Commissioner's Office (ICO) as a Fee Payer/Data Controller for the provision of council services under Data Protection legislation (Registration ZA027284 refers, expiring 12 November 2024).

2.16 To confirm that Officers and Councillors were aware of their responsibilities and obligations in relation to the collecting, using and protecting of personal information in accordance with the provisions of the (GDPR), at the meeting held on 1 June 2022 Councillors and Officers were asked to ensure they reviewed and completed the Data Protection Awareness Checklist, following the action points to ensure that they complied with relevant legislation.

2.17 In response to the requirements of the General Data Protection Regulations (GDPR), the Council maintains appropriate Data Protection policies and procedures including a Data Protection Policy, the Document and Electronic Data Retention Policy, General Privacy Notice and Privacy Statement, an Information Security Incident Policy and a Subject Access Request Policy.

2.18 The Council has a Freedom of Information Act (Fol) Publication Scheme in place as part of the procedures to assist in the Council's compliance with Fol legislation.

2.19 The Council continues to regularly receive reports from the Clerk/RFO regarding the amounts held under the Community Infrastructure Levy (CIL) Reserve and considers allocation against projects as identified in the Parish Infrastructure and Investment Plan (PIIP). The Council continues to review the projects identified to ensure that costings are realistic and of benefit to the community.

2.20 The Council has adopted the Model Councillor Code of Conduct 2020, as produced by the Local Government Association (LGA), for the purpose of discharging its duty to promote and maintain high standards of conduct within its area. A copy of the Code has been published on the Council's website.

2.21 A Website Accessibility Statement has been published on the Council's website to assist compliance with the website accessibility regulations.

2.22 The Council demonstrates good practice by maintaining an official email address for correspondence with the *thurstonparishcouncil.uk* being used by the Parish Council which does not rely upon the use of personal e-mail addresses.

3. Accounting Procedures and Proper Book-keeping (*examination of entries in the Cashbook, regular reconciliations, supporting vouchers, invoices and receipts and VAT accounting*).

3.1 The RBS Rialtas accounting system was used in the year to produce the Council's Financial Reports and Statements. The financial system is well referenced and overall provides a good audit trail to the supporting documentation. Income and Expenditure accounting has been used for the preparation of the 2023/24 End-of-Year accounts.

3.2 Payments made in 2023/24 were checked by the Councillor Internal Controller with supporting invoices/vouchers during the quarterly internal audits undertaken.

3.3 A sample of transactions, alongside their supporting invoices and vouchers, was examined by the Internal Auditor during this End of Year Audit and all was found to be in order.

3.4 Re-claims for VAT paid have been regularly submitted to HMRC. Amounts received in the year from HMRC were as follows:

a) £1,410.22 VAT paid in the period 1 January 2022 to 31 March 2022 was received at bank on 15 May 2023 and reported to Council on 7 June 2023.

b) £3,377.91 VAT paid in the period April 2022 to June 2022 (Quarter 1) was received at bank on 23 August 2023 and reported to Council on 7 September 2022.

c) £11,780.96 VAT paid in the period July 2023 to September 2023 (Quarter 2) was received at bank on 31 October 2023 and reported to Council on 1 November 2023.

d) £3,394.75 VAT paid in the period October 2023 to December 2023 (Quarter 3) was received at bank on 23 January 2024 and reported to Council on 7 February 2024.

3.5 The amount of £4,072.68 is recorded in the VAT Control Account as at 31 March 2024 as a sum owed to the Council by HMRC and is correctly included in the End of year Accounts as a Debtor to the Council.

3.6 The Community Infrastructure Levy (CIL) Annual Report for the year ended 31 March 2024 has been prepared by the Clerk/RFO. The Report shows £203,428.54 brought forward at the end of previous year (31 March 2023), CIL receipts of £93,751.33 and £125,209.67 spent in the year 2023/24. Accordingly, the balance of £171,970.20 is displayed as retained as at 31 March 2024. The CIL Annual Report has to be published on the Council's website and submitted to the District Council no later than 31 December 2024.

3.7 Previous Internal Audit Reports have reviewed the Council's partnership arrangements with the Parochial Church Council (PCC) in the production of the Thurston Community Newsletter. The Council is now totally responsible for the financing of the Newsletter. The Rialtas accounting system continues to provide for the allocation of expenditure to separate cost and nominal codes and appropriately recorded in the End of Year Accounts.

4. Bank Reconciliation (*Regularly completed and cash books reconcile with bank statements*).

4.1 The Lloyds Treasurer's (Current) Account (£7,801.40) and the Lloyds Business Instant Account (£181,419.62) bank statements as at 31 March 2024 reconciled with the End-of-Year Accounts.

4.2 The bank accounts were regularly reconciled to the Accounts during the year. Bank account balances (with a Bank Reconciliation) are presented to the Council as a matter of routine at each meeting under the Financial Matters agenda item.

4.3 The bank reconciliations are examined by a nominated Councillor Internal Controller, verified and formally signed off.

5. Year End procedures (*Regarding accounting procedures used and can be followed through from working papers to final documents. Verifying sample payments and income. Checking creditors and debtors where appropriate*).

5.1 The End-of-Year accounts are prepared on an Income and Expenditure basis and were in very good order. The Accounts and supporting documentation were extremely well presented for the Internal Audit review. Sample audit trails were undertaken and were also found to be in good order.

5.2 The Income and Expenditure Account and Balance Sheet were examined in detail and discussed with the Clerk/RFO. Key supporting entries in the Balance Sheet as at 31 March 2024 included the following:

- a) The Listed Debtors included in the Accounts at the year-end consist of those relating to the New Green Community Trust (£147.34) which has since been settled and MSDC (£948.22) which remains outstanding. The amount of £4,072.68 VAT available for re-claim from HMEC as at 31 March 2024 was also correctly included.
- b) Prepayments totalled £1,319,98 .26 and included (inter alia) insurance payments and subscriptions which, in practice, will even out over periods of account and may not be significant in terms of the context of the overall finances of the Council to require each to be taken account of at the year end.
- c) The Listed Creditors in the Balance Sheet totalled £1,004.92 and included (inter alia) the invoices received from the New Green Community Trust (£762.96) and Sackers (£122.96).
- d) The List of Accruals (where a service is being provided but the invoice not yet received) totalled £1,240 and refers to the provision of Internal and External Audit Services.
- e) Receipts in Advance of £2,599 referred to the amounts received relating to Newsletter advertisements.

5.3 The Clerk/RFO has constructed a reconciliation between Box 7 of the AGAR (Balances Carried Forward) with Box 8 (Total Cash and Short-term Investments) for presentation to the External Auditor.

5.4 The Clerk/RFO has also prepared a Statement of Analysis of Variances (explaining significant differences in income and expenditure between the years 2022/23 and 2023/24). The Statement will be presented to the External Auditors in support of Section 2 (the Accounting Statements) in the 2023/24 AGAR and will be published on the Council's website.

6. Budgetary controls (*Verification of the budgetary process with reference to Council Minutes and supporting documents*).

Precept 2023/24: £152,920 (11 January 2023, Minute 10h).

Precept 2024/25: £177,360 (10 January 2023, Minute 10f).

6.1 Following a review of the 2023/24 Budget by the Policy and Resources Committee on 25 November 2022 and recommendations put forward, the Council considered a Draft Budget for 2023/24 at its meeting on 7 December 2022 and reviewed and finalised the Budget for that year at its meeting on 11 January 2023. The Council resolved to set a Precept of £152,920 to fund the budget of £205,550.

6.2 Similarly, at the meeting on 6 December 2023, the Council received the 1st Draft of the Budgetary Papers for 2024/25 as reviewed by the Policy and Resources Committee on 15 November 2023. At its meeting on 10 January 2024 the Council agreed that the Budget for 2024/25 would be in the sum of £246,360 and that a Precept should be set at £177,360.

6.3 The Precepts were agreed in Full Council and the precept decision and amount have been clearly Minuted. The Council prepared detailed estimates of the annual budget and of receipts and payments for both 2023/24 and 2024/25.

6.4 The Clerk/RFO ensures the Council is aware of its responsibilities and commitments and the need for forward planning and adequate reserves.

6.5 The Council demonstrates good financial practice by regularly considering a comparative statement – the Budget to Actual Statement – for budgetary control purposes. Variances in the actual versus expenditure are noted and explanations provided for the variances in expenditure to actual and income to actual. The Budget to Actual monitoring report for the 1st Quarter ending 30 June 2023 was presented to the Council on 2 August 2023.

6.6 Similarly, at its meeting on 4 October 2023 the Council received the budget to actual statements for quarter ending 30 September 2023 including aggregate receipts and payments. The Council received explanations for any variances over cost codes and a breakdown of reserves held. Up to date Bank Reconciliations are similarly presented to Council for approval.

6.7 The Budget to actual report for the period ending 31st December 2023 was presented to the Council at its meeting on 10 January 2023. The Council noted that whilst there was an overspend for the year, this was in the main attributed to the legal costs incurred by the Council in the settlement of the costs associated with the Judicial Review for the Bloor development and that once the year-end reserves had been regularised this would reduce the overspend significantly.

6.8 The Council complies with Proper Practices (March 2023 – to be applied to the Annual Governance and Accountability Returns covering the period 1 April 2023 to 31 March 2024) which requires all authorities to have regard to the need to put in place a General Reserve Policy and have reviewed the level and purpose of all Earmarked Reserves. Whilst authorities should have sufficient Reserves (General and Earmarked) to finance both its day-to-day operations and future plans, Proper Practices require that, given that funds are generated from taxation/public levies, such reserves are not excessive.

6.9 A Reserves Policy is in place and a copy has been published on the Council's website. The Policy does not attempt to prescribe a blanket level but notes that current guidance states that the level of Reserves should be maintained between 3-12 months of budgeted expenditure. The Reserves Policy was reviewed and agreed by the Policy and Resources Committee on 24 February 2023, when it was agreed that the spent General Reserves should be replaced over a reasonable period of time.

6.10 The Policy and Resources Committee adopted an Investment Strategy at its meeting on 20 May 2022. The Committee also agreed to the setting up of a separate bank account to protect the Council's Financial Assets in accordance with the Council's Investment Strategy and that the optimal sum to be invested was in the region of £40,000 - £50,000. Delegated authority was given by the Committee to the Clerk/RFO to progress this issue.

6.11 Overall Reserves available to the Council at the year-end 31 March 2024 totalled £190,865 of which £16,943 is Earmarked and £171,970 is CIL Restricted Reserves.

6.12 Whilst there were only £1,952 General Reserves available as at 31 March 2023 (and accordingly significantly less than the generally accepted Best Practice position that non-earmarked revenue reserves should usually be between three and twelve months of Net Revenue Expenditure/Precept) the Council has since received 50% of the 2024/25 Precept and VAT reimbursements which in total amount to approximately £92,700, some of which the Clerk/RFO has confirmed is being held as contingency sums to meet any unforeseen items of expense that may occur.

7. Income Controls (regarding sums received from Precept, Grants, Loans and other income including credit control mechanisms).

7.1 Receipts are reported routinely to the Council at each meeting under the standing agenda item of Financial Matters. Details of the receipts are listed in the Minutes as an Appendix and published as part of the financial control framework.

7.2 Income controls were examined on a test-check basis. Income received and recorded in the Cashbook was cross referenced on a sample basis with the bank statements and found to be in order.

8. Petty Cash (*Associated books and established system in place*).

8.1 No Petty Cash is held; an expenses system is in place.

8.2 A Lloyds Bank Business Credit Card is being used by the Clerk/RFO and transactions are routinely examined by the Councillor Internal Controller as part of the routine examination of internal controls.

9. Payroll Controls (*PAYE and NIC in place; compliant with HMRC procedures; records relating to contracts of employment*).

9.1 PAYE is operated in accordance with HMRC regulations. Regular payments have been made to HMRC and detailed pay slips are produced for the Council employees. The HMRC End of Year Certificates P60 have been produced by the Clerk/RFO.

9.2 At its meeting on 7 June 2023 the Council noted that performance reviews had been completed on members of staff. A summary of each performance review was given and based on the report submitted, the Council agreed to the amendments to staff contracts to be backdated to 1st April 2023 as follows:

- Clerk/RFO: LC3 SCP40 (pro rata) at 25 working hours per week with extra hours required by the Council payable at the same Scale Point.
- Deputy Clerk: LC2 SCP 22 (pro rata)
- Village Newsletter Editor/Distributor: LC1 SCP 6 (pro rata)
- Village Litter Picker: LC1 SCP 3 (pro rata) and subsequently uplifted to SCP 4 (pro rata) with effect from 1 April 2024.

9.3 At the meeting on 2 August 2023 the Council ratified the decision taken by the Policy and Resources Committee to appoint Mrs Paula Gladwell to the position of Deputy Clerk with a starting salary, based on qualifications and experience (a single salary point of LC2 SCP 27 pro rata) at 25 hours per week. A contractual pay performance review to include a review of hours and responsibilities was undertaken as at six months and Council agreed to progress the position to SCP 28 with effect from 1 April 2024 (the maximum Scale Point in the range).

9.4 The Clerk/RFO and the Deputy Clerk are enrolled into the Local Government Pension Scheme administered by Suffolk County Council.

9.5 At its meeting on 6 April 2022 the Council noted that the Clerk/RFO had submitted the Council's re-declaration to The Pensions Regulator confirming that the Council, as an employer, has complied with its legal duties for re-enrolment. (The re-declaration of compliance confirms to the Pensions Regulator that the Council complies with its duties as an employer and has to be completed every three years).

10. Assets Controls (*Inspection of asset register and checks on existence of assets; recording of fixed asset valuations; cross checking on insurance cover*).

10.1 An Asset Register is in place and was reviewed and agreed by the Council at the meeting held on 17 May 2023 at the time of the consideration of the AGAR 2022/23. The Council noted at its meeting on 7 June 2023 that the Councillor Internal Controller and the Clerk/RFO had completed a review of the inventory of land and assets including buildings and office equipment and that the register was a live document and would be updated as and when assets or land were acquired or disposed of.

10.2 The Internal Auditor examined the Register which contained details of all Assets and Responsibilities held by the Council for the year ending 31 March 2024. The Register is due to be considered for approval and adoption by the Council at the meeting on May 2024. The Register is included in the Quarterly Reviews undertaken by the Councillor internal Controller.

10.3 The Register displays a total value of £398,609.85 as at 31 March 2024 (compared to the value of £330,274.64 at the end of the previous year, 31 March 2023). The net increase of £68,335.21 reflects the new Play Equipment (£52,318), Defibrillator (£5,390), EV Charging Unit (£9,068.35), 2 laptops (£758), Litter Bins (£1,060.09), Dog Bins (£394.19) and Christmas Trees (£406.98) and the removal of replaced computer equipment (£750) and Litterbins (£310.40).

10.4 The Register complies with the current requirements which provide that each asset should be recorded on a consistent basis, year-on-year. Values are recorded at original purchase cost (where known) and a nominal value for community assets.

10.5 Box 9 of Section 2 of the Annual Return correctly records the value of assets as at 31 March 2024 (rounded for purposes of the Return).

11. Internal Control and the Management of Risk (*Review by Council of the effectiveness of internal controls, including risk assessment, and Minuted accordingly*).

11.1 At its meeting on 21 February 2024 the Policy and Resources Committee reviewed the Council's Financial Risk Assessment 2023/24 and agreed that the document was a true reflection of the financial risks facing the council and the manner in which they would be mitigated.

11.2 The Committee also reviewed the Council's Risk Management Strategy for 2023/24 and agreed that overall it provided an accurate assessment of the management of risks.

11.3 The Committee reviewed the effectiveness of its internal control arrangements and agreed that the Internal Control Policy, as written, should be re-adopted. The Internal Control document for use in 2024/25 was also adopted. The internal audit carried out for the previous year was reviewed and found to be effective and comprehensive.

11.4 At its meeting on 6 March 2024 the Full Council noted and agreed the year-end pre-audit Internal Control and Risk Management procedures carried out by the Policy and Resources Committee at its meeting on 21 February 2024 under delegated powers. All actions completed at the meetings have been clearly Minuted.

11.5 The Council accordingly complied with the Accounts and Audit Regulations 2015 which require a review by the Full Council at least once a year of the effectiveness of the Council's system of internal control, including the arrangements for the management of risk, with the review suitably Minuted.

11.6 The Council demonstrates good financial practice by considering a Quarterly Internal Control Report, prepared by a designated Councillor Internal Controller and reported to Full Council in order to regularly confirm that internal controls are effective and to consider any points arising. At its meeting on 7 June 2023 the Council received the Internal Control Review Report from the nominated Councillor for the First Quarter of 2023/24.

11.7 Further reports from the Councillor Internal Controller upon internal control reviews were received by the Council in September 2023, December 2023 and March 2024.

11.8 The Councillor Internal Controller review of system of Internal Controls undertaken on 1 November 2023 and presented to Council on 6 December 2023 was examined in detail by the Internal Auditor. The Review was comprehensive and listed detailed Control Tests with a comprehensive assessment of each element including reference to the AGAR Audit Objectives.

11.9 As a designated 'smaller local council' Thurston Parish Council can benefit from the provisions of the Financial Services Compensation Scheme (FSCS) which provides that up to £85,000 will be automatically compensated per bank and building society. The Council currently holds some £250,000 with Lloyds Bank and accordingly would only be compensated to £85,000 in the event of having to call upon the FSCS. A previous Internal Audit Report had recommended that as part of the routine review of Risk Management procedures the Council should examine the risks involved in holding sums with one bank and consider the costs/benefits of placing funds within a range of accounts to secure maximum protection under the FSCS. At its meeting on 1 March 2023 the Policy and Resources Committee received an update on the opening of a separate bank account to protect the Council's financial assets in accordance with Council's Investment Strategy. The Committee agreed to postpone the opening of such an account until after the May 2023 elections to ensure all signatories were serving councillors.

Recommendation: During 2024/25 the Council should consider protecting its financial assets and comply with the approved Investment Strategy by examining the risks involved in holding sums with one bank and consider the costs/benefits of placing funds within a range of accounts to secure maximum protection under the Financial Services Compensation Scheme (FSCS).

11.10 Insurance was in place for the year of account. At the meeting on 7 June 2023 the Council accepted the confirmation that the Clerk/RFO and Internal Controller had

reviewed the current insurance arrangements and that employer's liability insurance was in place, there was an appropriate level of fidelity guarantee insurance and that all cover was risk-based and kept under constant review to make sure it adequately reflects changes in circumstances.

11.11 At its meeting on 6 September 2023 the Council approved the insurance premium of £1,535,30 to Zurich Municipal Insurance. The cover is for the period 1 October 2023 to 30 September 2024. Employer's Liability insurance cover is £10m and the Public Liability cover stands at £12m. The Fidelity Guarantee (Councillor/Employee dishonesty) cover stands at £500,000 which meets the current recommended guidelines which provide that the cover should be at least the sum of the year-end balances plus 50% of the precept/grants.

11.12 The Council has a Business Continuity Plan in place. The Plan was reviewed and agreed by the Policy and Resources Committee on 30 September 2022 when Councillors agreed that the Plan was comprehensive and covered, within reason, measures to effect a quick return to "business as usual" following an emergency.

11.13 An important area of risk management within local councils concerns the adequate maintenance of play equipment. In this respect the Leisure and Environment Committee receives and considers matters on the Monthly Risk Assessment Reports for play areas and agree any appropriate action arising. The Council also instructed Kompan to undertake Quarterly operational inspections for its play equipment in 2023/24. In addition, the Mid Suffolk District Council undertakes an Annual RoSPA standard Play Inspection. The Clerk/RFO confirmed to the Internal Auditor that the most recent Annual RoSPA Inspection Report has been examined by the Leisure and Environment Committee and will shortly be presented Full Council

12. Policies and Procedures in place

12.1 The Council and the Policy and Resources Committee continued to undertake regular reviews of its Policies, Procedures and Protocols during 2023/24.

12.2 The Council has a wide range of formal policies and procedures in place, in addition to those in compliance with the GDPR and FOI, to assist good governance and management, including the Accident Policy and Procedures, Climate Awareness and Environmental Policy, CCTV Policy, Complaints Policy Procedure, Dispensation Policy, Equality and Diversity Policy, Fixed Asset Policy, Health and Safety Policy, Investment Policy, Grant Awarding Policy, CIL Grant Awarding Policy, Dispensation Policy, Training and Development Policy, Lone Worker Policy, Travel and Expenses Policy, Protection of Children and Vulnerable Persons Policy, Volunteer Policy, Internet Banking Policy, Investment Policy, Media Policy, Playground Risk Management Policy, Reserves Policy and Use of Photographs Policy.

12.3 A new Biodiversity Policy was considered and approved by the Council at its meeting on 6 December 2023.

12.4 A wide range of policies are in place for Members of Staff including Anti-Harassment and Bullying Policy, Anti-Bribery and Corruption Policy, Disciplinary Procedure and Disciplinary Rules, Emergency/Dependent's Leave Policy, Equal

Opportunities Policy, Flexible Working Policy. Grievance Policy, Sickness and Absence Policy, Whistleblowing Policy, Staff Appraisal Policy, IT and Electronic Communication Policy, Holiday Policy and Staff Use of Social Media Policy.

12.5 The Policies and Procedures are available for public inspection on the Council's webpage <https://thurstonparishcouncil.uk/parish-council/policies-procedures-and-strategy/> together with information relating to the Business Plan, Engagement Strategy, GDPR and Openness of Local Government Bodies Regulations 2014.

13. Responsibilities as a Trustee (Regarding the Council's role and responsibilities under the Charity Acts; submission of returns to Charity Commission).

13.1 The Council is a sole trustee of the Thurston Recreation Ground Trust Charity (Charity No: 304946). The Recreation Facilities Committee had been established to formally manage and operate the Recreation Ground and the Pavilion and to maintain the parking area and to oversee the recreational facilities within the parish.

13.2 The Clerk/RFO provided appropriate reports to both the Committee and Full Council on Recreation Ground matters. A schedule of the accounts is presented for the Committee's consideration, including details of income received, accounts paid and accounts awaiting payment. The Council receives the Minutes of the meetings for the Recreational Facilities Committee.

13.3 At its meeting on 4 October 2023 the Council noted that the Committee had not been able to meet and given that the Parish Council was Sole Trustee there was a concern that the Recreation Ground Charity Trust's debts were not being settled in a timely manner due to the non-approval of non-budgeted items. Council reviewed the submitted list and gave its approval for the outstanding invoices to be settled and payment made,

13.4 At the meeting on 1 November 2023 the Council approved the request from the Trust Charity for assistance with financing the grounds maintenance costs.

13.5 At its meeting on 7 February 2024, as Sole Trustee, the Council received the Minutes of the meeting on 29 November 2023 of the Recreation Ground Trust Committee and noted the actions arising from the meeting in January 2024.

13.6 A copy of the Recreation Ground Charity Accounts and the Bank Reconciliation as at 31 March 2024 have been published on the Council's website.

13.7 The Charity Commission's Register of Charities confirms that the annual update for 31 March 2023 was received by the Commission on 19 December 2023 and that the Charity's reporting requirements are currently up to date.

14. Internal Financial Controls, Payments Controls and Audit Procedures (Confirmation that the Council has satisfactory internal financial controls in place for making payments with adequate documentation to support/evidence payments made. Any previous audit recommendations implemented).

14.1 The Council has satisfactory internal financial controls in place. The Clerk/RFO provides comprehensive financial reports to Council meetings and Councillors are provided with information to enable them to make informed decisions.

14.2 On 24 February 2023 the Policy and Resources Committee reviewed and re-adopted the Internet Banking Policy document. The Council has previously stated that online banking should be the default position for payments made by the Council.

14.3 The procedure under the Internet Banking Policy provides that:

- 1. All orders for payment will be verified for accuracy by the Parish Clerk and included on the payment schedule.*
- 2. The schedule of all payments shall be prepared by the Parish Clerk and presented to each meeting of the Council together with any supporting invoices or other documentation for approval. The approved schedule will be signed by the Clerk as Responsible Financial Officer and the Chairman of the meeting.*
- 3. The Parish Clerk will initiate payment.*
- 4. Two of the three authorised Councillors will confirm the payments online (from the list of authorised Councillors held by Lloyds Bank). Councillors are expected to authorise payment requests within two days of the payment being initiated by the Parish Clerk.*
- 5. Where a councillor is to be reimbursed for expenditure, they should not be an authoriser (in the case of internet payments), or a signatory (in the case of cheque payments).*

14.4 The Clerk/RFO confirmed to the Internal Auditor the procedure and controls currently in place for the making of on-line payments were in accordance with the Council's approved Policy. At each meeting the Council receives and authorises a list of payments made since the last meeting and a list of any additional payments due to be made.

14.5 A sample of online payments was examined and were found to be in order and compliant with the Council's Internet Banking Policy.

14.6 Receipts and payments are listed in the Council's Minutes as an appendix and published as part of the overall financial control framework. Quarterly lists of items of Expenditure over £500 are published on the Council's website in compliance with the Local Government Transparency Code 2015.

14.7 The Internal Audit report for the previous year (2022/23) was received and adopted by the Council at its meeting on 17 May 2023. The Report raised no matters of concern.

14.8 At its meeting on 6 March 2024 the Council confirmed the appointment of the Internal Auditor for year 2023/24 following the recommendation received from the Policy and Resources Committee in the light of a review by the Committee of the Terms of Reference and Audit Plan supplied.

15. External Audit (*Recommendations put forward/comments made following the annual review*).

15.1 The External Auditors' Report and Certificate for the year 2022/23 was dated 31 August 2023 and raised no issues of concern.

15.2 The External Auditors' Report and Certificate was received and accepted by the Council at its meeting on 6 September 2023.

16. Publication Requirements.

16.1 Under the Accounts and Audit Regulations 2015 authorities must publish each year the following information on a publicly accessible website:

*Notice of the period for the exercise of Public Rights
AGAR - Sections 1 and 2.*

16.2 At its meeting on 5 April 2023 the Council noted that the dates for Exercise of Public Rights had been set as commencing on 5 June until 14 July 2023.

The Internal Auditor was able to confirm that the documents relating to the year 2022/23 were readily accessible on the Council's website:

<https://www.thurstonparishcouncil.uk/parish-council/finances/finances-2022-2023/>

16.3 Following the completion of the External Audit:

*Notice of Conclusion of Audit
AGAR - Section 3
AGAR - Sections 1 and 2 (including any amendments as a result of the Limited Assurance Review).*

16.4 At its meeting on 5 October 2022 the Council noted that the notice of the Conclusion of the Audit had been published. The Internal Auditor was able to confirm that the documents relating to the year 2022/23 were readily accessible on the Council's website: <https://thurstonparishcouncil.uk/parish-council/finances/>

16.5 The Council is meeting the publication requirements of the Local Government Transparency Code 2015, which provides that larger parish/town councils which have gross annual income or expenditure (whichever is the higher) exceeding

£200,000 must publish details of each individual item of expenditure that exceeds £500.

17. Additional Comments.

17.1 I would like to record my appreciation to the Clerk/RFO for her assistance during the course of the audit work. I would particularly like to commend the Clerk/RFO for the excellent presentation of the Council's documents for the audit.

Trevor Brown

Trevor Brown, CPFA

Internal Auditor

27 April 2024