

Report to Thurston Parish Council

The Internal Audit of the Accounts for the year ending 31 March 2025

1. Introduction and Summary.

1.1 The Internal Audit work undertaken confirmed that during the 2024/25 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 and places emphasis upon the 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 By examination of the 2024/25 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.

1.5 The Accounts for the year confirm the following:

Total Income for the year: £298,473
Total Expenditure in the year: £302,044
Total Reserves at year-end: £187,294 (of which £37,492 is earmarked and £138,069 is a CIL Restricted Reserve).

1.6 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 2024/25 (rounded for purposes of the Return):

<i>Balances at beginning of year (1 April 2024):</i>	<i>Box 1: £190,865</i>
<i>Annual Precept 2024/25:</i>	<i>Box 2: £177,360</i>
<i>Total Other Receipts:</i>	<i>Box 3: £121,113</i>
<i>Staff Costs:</i>	<i>Box 4: £96,621</i>
<i>Loan interest/capital repayments:</i>	<i>Box 5: nil</i>
<i>All Other payments:</i>	<i>Box 6: £205,423</i>

<i>Balances carried forward (31 March 2025):</i>	<i>Box 7: £187,294</i>
<i>Total cash/short-term investments:</i>	<i>Box 8: £188,584</i>
<i>Total fixed assets:</i>	<i>Box 9: £422,083</i>
<i>Total borrowings:</i>	<i>Box 10: nil</i>

1.7 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 2024/25 within the AGAR.

1.8 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: The Council should promptly consider protecting its financial assets and comply with the approved Investment Strategy by examining the risks involved in holding sums with one bank and look to the placing of funds within a range of accounts to secure maximum protection under the Financial Services Compensation Scheme (FSCS). The Clerk/RFO has confirmed that work is already underway regarding this matter.

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 1 May 2024. The first item of business was the Election of a Chair, as required by the Local Government Act 1972.

2.2 The Council considered and approved the revised Terms of Reference for committees and reconfirmed appointments to committees, outside bodies and parish appointed positions at the meeting on 1 May 2024.

2.3 At its meeting on 7 August 2024 the Council reviewed and agreed a proposal for streamlining the committee structure.

2.4 In accordance with s151 of the Local Government Act 1972, on 1 May 2024 the Council formally confirmed the appointment of the Clerk as the Council's Responsible Financial Officer (RFO) as part of her contract of employment.

2.5 The meeting on 1 May 2024 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 2024/25.

2.6 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.

2.7 **Standing Orders** are in place and reflect the model standing orders and guidance issued by the National Association of Local Councils (NALC). At the meeting on 5 June 2024 the Council reviewed and re-adopted the latest version of Standing Orders with one minor amendment. Further review and adoption took place at the meeting on 5 February 2025. Revisions to the model Standing Orders were published by NALC on 31 March 2025. The amendments can be included at the Council's next review of Standing Orders.

2.8 Similarly, **Financial Regulations** are in place. At its meeting on 5 June 2024 the Council reviewed and adopted the model Regulations and guidance issued by NALC. Further review and adoption took place at the meeting on 5 February 2025. Revisions to the model Financial Regulations were published by NALC on 13 March 2025 and these can be included in the Council's next review of the document.

2.9 The Council works within the **Thurston Neighbourhood Development Plan** (NDP) which sets the planning and development vision for Thurston until 2036. Details of the NDP have been published on the Council's website.

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. The Clerk/RFO advised the Internal Auditor that a review of the Business Plan is due to take place in June 2025.

2.11 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.

2.12 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.

2.13 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 2025).

2.14 To confirm that the Council was aware of the principles of good information handling as specified under the UK General Data Protection Regulations (GDPR), at the meeting on 3 April 2024 the Clerk/RFO reminded councillors of the procedures in dealing with personal information, how it should be used, how it is processed and the need to ensure that appropriate security was undertaken to protect personal information and how that information should be retained.

2.15 In response to the requirements of 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.

2.16 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.

2.17 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.

2.18 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.

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

2.20 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 2024/25 End-of-Year accounts.

3.2 Payments made in 2024/25 were checked by the Councillor Internal Controller with supporting invoices/vouchers during the quarterly Councillor 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) Quarter 4 2023/24: £4,072.68 VAT paid in the period 1 January 2024 to 31 March 2024 was received at bank on 9 May 2024 and reported to Council on 5 June 2024.

b) Quarter 1 2024/25: £7,760.39 VAT paid in the period ending June 2024 was received at bank on 12 August 2024 and reported to Council on 4 September 2024.

c) Quarter 2 2024/25: £1,951.29 VAT paid in the period July 2024 to September 2024 was received at bank on 28 October 2024 and reported to Council on 6 November 2024.

d) An amount of £654.87 was received on 23 January 2025 and reported to Council on 5 February 2025 as VAT reclaimed from HMRC in respect of the Recreation Ground Charity.

3.5 The amount of £5,011.48 is recorded in the VAT Control Account as at 31 March 2025 as a sum owed to the Council by HMRC for the periods Quarter 3 and Quarter 4 and is correctly included in the End of year Accounts as a Debtor to the Council.

3.6 The Council receives reports upon Community Infrastructure Levy (CIL) funds from the Clerk/RFO as a matter of routine. The CIL Annual Report for the year ended 31 March 2025 has been prepared by the Clerk/RFO. The Report shows £171,970.21 brought forward at the end of previous year (31 March 2024), CIL receipts of £95,022.66 and £128,923.98 spent in the year 2024/25. Accordingly, the balance of £138,068.89 is displayed as retained as at 31 March 2025. The CIL Annual Report has to be published on the Council's website and submitted to the District Council no later than 31 December 2025.

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

4.1 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.

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

4.3 At the meeting on 4 December 2024 the Clerk/RFO advised the Council that Lloyds Bank was making amendments to the Council's banking accounts: The three Treasurers Accounts would be changing to a Business Account (sort codes and account numbers remain the same) effective on 14 January 2025. The original accounts, under the parish council's umbrella, were designed for smaller clubs and societies with a lower turnover of under £50,000. There will also be a fee of £8.50 per month for each Business Account. The accounts would also be charged for day-to-day banking although to assist with the change a 100% discount would be applied until January 2026. It was noted that once charging begun, currently Lloyds were offering 100 free electronic payments a month (direct debits, standing orders and faster payment debits). The Clerk/RFO confirmed that this would impact upon the Library Account as operated by the Parish Council on behalf of the Friends Library

Group and the Recreation Ground Charity Account as operated by the Parish Council as Sole Trustee.

4.4 The Lloyds Treasurer's (Current) Account (£6,940.12) and the Lloyds Business Instant Account (£141,453.88) and Redwood 95-Day Savings Account (£40,190.26) bank statements as at 31 March 2025 reconciled with the End-of-Year Accounts.

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 2025 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 (£132.50) which has since been settled and MSDC (£1,038.18) which remains outstanding. The amount of £5,011.48 VAT available for re-claim from HMRC as at 31 March 2024 was also correctly included.
- b) Prepayments totalled £1,955.50 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 £5,454.33 and included (inter alia) the invoices received from the MSDC (Recycling), Sackers (Recycling), Hayden's (Tree Survey), Gipping Press (NP documents and newsletter) and Kompan (play equipment inspections).
- d) The List of Accruals (where a service is being provided but the invoice not yet received) totalled £1,340 and refers to the provision of Internal and External Audit Services.
- e) Receipts in Advance of £2,634.50 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 2023/24 and 2024/25). The Statement will be presented to the External Auditors in

support of Section 2 (the Accounting Statements) in the 2024/25 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 2024/25: £177,360 (Full Council meeting on 10 January 2023).

Precept 2025/26: £201,497 (Full Council/Committee Meeting on 22 January 2025).

6.1 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.

6.2 Similarly, following a review of the 2025/26 Budget by the Policy and Resources Committee and recommendations put forward, the Council considered a Draft Budget for 2025/26 at its meeting on 4 December 2024 and reviewed and finalised the Budget for that year at its meeting on 8 January 2025, when the Council resolved to approve the revenue budget of £247,372 but to defer a decision on the Precept to be set until the confirmed tax base had been issued on 9 January 2025. The Clerk was to add this item for approval to the Committee's Meeting agenda for 22 January 2025.

6.3 At the Full Council/Committee's Meeting on 22 January 2025, following confirmation that there had been no change to the indicative tax base issued in November 2024, it was resolved that the parish council would levy a precept of £201,497 which would give Thurston a Council Tax Band D amount of £108.26 which was an increase of 7.85% or £7.89 over that set for 2024/25.

6.4 At its meeting on 5 February 2025 the Council noted confirmation of receipt of the Precept Form as served on the Charging Authority in January 2025 requesting a precept for 2025/26 of £201,497.

6.5. The Council prepared detailed estimates of the annual budget and of receipts and payments for both 2024/25 and 2025/26.

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

6.7 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 (updated to 31 July 2024) was presented to the Council on 7 August 2024.

6.8 Similarly, at its meeting on 6 November 2024 the Council received the budget to actual statements for the quarter ending 30 September 2024. 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.

6.9 The Budget to actual report for the period ending 31 December 2024 was presented to the Council at its meeting on 5 February 2025. The Council noted that the budgeted income for the current financial year was on target and that budgeted expenditure was lower than expected; that overall the budget was overperforming for that time of the year and there are no concerns that the Council should be aware of.

6.10 Similarly, at its meeting on 12 March 2025 the Council received indicative year-end figures for the year ending 31 March 2025 which showed a carried forward balance of £10,406.20. It was confirmed that the final accounts would be presented to full council at the meeting scheduled for 14 May 2025.

6.11 The Council complies with Proper Practices (March 2024 – to be applied to the Annual Governance and Accountability Returns covering the period 1 April 2024 to 31 March 2025) which require 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.

6.12 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 approved on 15 November 2024 by the Policy & Resources Committee, which agreed to amendments confirming that even at times when extreme pressure is put on the Council's finances the Council would keep a minimum balance sufficient to pay one month's worth of contractual obligations to staff and contractors in General Reserves at all times. A copy of the Policy has been published on the Council's website.

6.13 The Council also has an **Investment Policy** in place and a copy has been published on the Council's website. The Investment Policy was reviewed in November 2024 by the Policy and Resources Committee which 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.

6.14 Overall Reserves available to the Council at the year-end 31 March 2025 totalled £187,294 of which £11,733 General Reserves were available as at 31 March 2025 together with a General Reserve Contingency of £19,557 representing one month's contractual liabilities.

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 6 November 2024 the Council considered staffing matters in relation to performance review and remuneration and resolved to approve the recommendations contained within the confidential report as submitted by the Clerk/RFO.

9.3 At its meeting on 15 November 2024 the Policy and Resources Committee noted that the local government pay award has been agreed nationally with effect from 1 April 2024 and that staff salaries would be amended accordingly and remuneration backdated. The Committee were aware that the pay agreement was a nationally agreed policy and that its implementation formed part of the conditions and terms of employment. In accordance with Financial Regulation 9.3 (that no changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the council), the Committee confirmed that the agreed pay award be backdated to 1 April 2024 and implemented in the November payslips.

9.4 The Committee also resolved to recruit a Village Ranger for a maximum of 10 hours per week with job descriptions and recruitment package to be delegated to the Clerk/RFO, the funding for this post to be a two-year project from Neighbourhood CIL Funding in the range of £10,000 per annum to allow for flexibility in range of work offered. At the meeting on 5 March 2025 the Council approved the recommendation to employ Clive Wright as Village Ranger at an hourly rate as per the paper submitted (with a review due after the probationary period has passed) for 10 hours per week, to commence April 2025.

9.5 The Internal Auditor examined a sample of salary payments and confirmed that as at 31 March 2025 the Clerk/RFO was paid at SCP 41 (pro rata) at 25 working hours per week with extra hours required by the Council payable at the same Scale Point. Similarly, the Deputy Clerk was paid at SCP 28 (pro rata) for the contracted 25 hours per week with extra hours required by the Council payable at the same Scale Point.

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

9.7 At its meeting on 5 March 2025 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 1 May 2024 at the time of the consideration of the AGAR 2023/24. The Register is a live document and can be updated as and when assets or land is 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 2025. The Register is due to be considered for approval and adoption by the Council at the meeting on 7 May 2025. The Register is included in the Quarterly Reviews undertaken by the Councillor Internal Controller.

10.3 The Register displays a total value of £422,082.99 as at 31 March 2025 (compared to the value of £398,609.85 at the end of the previous year, 31 March 2024). The net increase of £23,473.14 reflects the new Play Equipment (£21,161.64), noticeboard at New Green Open Space (£1,830), Lenovo Laptop (£229) and Seat at the Wildlife Area at New Green (£252.50).

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 2025 (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 12 February 2025 the Policy and Resources Committee reviewed the Council's Financial Risk Assessment 2024/25 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 (Minute 5 refers).

11.2 The Committee also reviewed the Council's Risk Management Strategy for 2024/25 and agreed that overall it provided an accurate assessment of the management of risks and the efficiency of Internal Audit.

11.3 The Committee reviewed the effectiveness of its internal control arrangements on 12 February 2025 and agreed the Internal Control Policy 2024/25.

11.4 At its meeting on 5 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 12 February 2025 under delegated powers. All actions completed at the meetings had 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 On 15 November 2024 the Policy and Resources Committee noted that the Fire Risk Assessment of the Parish Council Office had been carried out by the Clerk/RFO

11.7 The Council demonstrates good financial practice by considering a Quarterly Internal Control Report, prepared by a designated Councillor Internal Controller (Councillor Rainbow) 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 5 June 2024 the Council received the Internal Control Review Report from the nominated Councillor for the First Quarter of 2024/25. A further report from the Councillor Internal Controller upon the Second Quarter internal control review was received by the Council on 4 September 2024.

11.8 The review of the system of Internal Controls for Quarters 3 and 4 took place on 21 February 2025 and the report by Councillor Rainbow was received by Council at its meeting on 5 March 2025. The review 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 held some £148,000 with Lloyds Bank at the year-end 31 March 2025, prior to the receipt of half of the 2025/26 Precept in April 2025 (£100,748) plus CIL Receipts of some £197,000. The Council is aware that it would only be

compensated to £85,000 in the event of having to call upon the FSCS. The 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. The Clerk/RFO confirmed to the Internal Auditor that steps are being taken to open accounts with other banks and building societies to protect the Council's financial assets in accordance with Council's Investment Strategy.

Recommendation: The Council should promptly consider protecting its financial assets and comply with the approved Investment Strategy by examining the risks involved in holding sums with one bank and look to the placing of 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 its meeting on 2 October 2024 the Council approved the insurance premium of £2,158.92 to Zurich Municipal Insurance. The cover is for the period 1 October 2024 to 30 September 2025. Public Liability cover stands at £12m and Employer's Liability insurance cover is £10m. 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.

11.11 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.

11.12 An important area of risk management within local councils concerns the adequate maintenance of play equipment. In this respect the Clerk/RFO confirmed that post September 2024, it is Full Council, at its Committee meetings, that receives and considers matters on the Monthly Risk Assessment Reports for play areas and agree any appropriate action arising.

11.13 At its meeting on 3 April 2024 the Council received the annual play inspection reports (January 2024) covering the areas of Thedwastre Park Play Area; New Green Open Space Play Equipment; Play Area on Heath Road and Play Area at the Recreation Ground, Church Road.

11.14 The Council instructed Kompan to undertake Quarterly operational inspections for its play equipment in 2024/25. In addition, the Mid Suffolk District Council undertakes an Annual RoSPA standard Play Inspection. The Annual RoSPA Inspection Reports are examined by the LEC and Full Council. In addition, weekly visual inspections are being undertaken by the Council's staff.

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 2024/25.

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, Biodiversity Policy, 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 Allotments Policy was considered and approved by the Council at its meeting on 5 June 2024.

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/>

These are held alongside information relating to the Business Plan, Engagement Strategy, GDPR, Freedom of Information 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 was 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 Terms of Reference approved at the meeting on 1 May 2024 for the Committee provides that the Committee holds Delegated Powers from the Council in the operation of the Recreation Ground Charity, which covers the recreation ground, car park and sports pavilion on Church Road. The Parish Council is the sole trustee of the Charity Membership. The committee is to comprise a minimum of six members of the Parish Council with a Chairman who will be elected annually at the Statutory Annual Meeting of the Parish Council. Five members of the Committee will constitute a quorum. The Committee may nominate Councillors to act as substitutes to ensure that all meetings are quorate.

13.3 The Responsibilities of the Committee with regards to the Recreation Ground are to:

- a) To keep under review the provision of the sports and recreational facilities for the residents of Thurston at the Recreation Ground on Church Road.
- b) To oversee the upkeep, maintenance and improvement of the above area, including trees, hedgerows, ownership/responsibility signs and sports pavilion.
- c) To ensure monthly inspection sheets are completed and submitted to the Deputy Clerk for the area, highlighting remedial action required.
- d) To review and set the level of the annual fees for use of the sports pavilion on the Recreation Field on Church Road.
- e) To prepare and set the budget and maintain and administer separate accounts for the Thurston Recreation Ground Charity. To manage use of the recreation ground on Church Road which shall include the granting of licenses for regular use.
- f) To prepare an annual report to summarize the work undertaken in the exercising of its delegated powers for consideration by the Parish Council.

13.4 During the year 2024/25 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.

13.5 The Council received and approved the Annual Accounts for the Recreation Ground Charity (304946) for the year ending 31 March 2024 at the meeting on 1 May 2024. A copy of the Accounts has been published on the Council's website.

13.6 The Charity Commission's Register of Charities confirms that the annual update for 31 March 2024 was received by the Commission on 18 September 2024 and that the Charity's reporting requirements are currently up to date.

13.7 At the meeting on 6 November 2024 the Council, as Sole Trustee of the Recreation Ground Charity Trust, received and approved the Minutes of the Trust's meeting of 26 June 2024 and specific issues were brought to Council's attention.

13.8 At the meeting on 5 February 2025 the Council resolved to go into camera for the following Trust matters as they were confidential to the Council:

- As Sole Trustee, the Council received an update on the pavilion refurbishment and to consider the Clerk/RFO's paper for recommendations to proceed to principal design stage and administration of the building contract. The Council resolved that it would review all tenders and appoint contractors to carry out the internal renovations for the pavilion. (Subsequently, at its meeting, 2 April 2025, the Council appointed architects to oversee the principal design stage and administration of the building contract following the contractor having been appointed).
- Similarly, as Sole Trustee, the Council received a report from the Recreation Ground Trust Committee on 3rd party assets located on the recreation ground, Church Road and noted that, at the current time, this was an informative paper which would form the basis for future recommendations connected to some of the assets located on the ground.

**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 had 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 four 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 (2023/24) was received and accepted by the Council at its meeting on 1 May 2024. The Report had

recommended that 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). The Council noted that the Clerk/RFO would action the recommendation to divest the Council's finances over the coming months.

14.8 At its meeting on 5 March 2025 the Council confirmed the appointment of the Internal Auditor for year 2024/25 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 2023/24 was dated 28 August 2024 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 2 October 2024.

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 3 April 2024 the Council noted that the dates for Exercise of Public Rights had been set as commencing on 3 June until 12 July 2024.

The Internal Auditor was able to confirm that the documents relating to the year 2023/24 were readily accessible on the Council's webpage:

<https://www.thurstonparishcouncil.uk/parish-council/finances/finances-2023-2024/>

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 2 October 2024 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 2023/24 were readily accessible on the Council's webpage:

<https://www.thurstonparishcouncil.uk/parish-council/finances/finances-2023-2024/>

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. Details are published under the webpage:

<https://www.thurstonparishcouncil.uk/parish-council/finances/financial-transparency/>

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, CPFA

Internal Auditor

27 April 2025