

Internal Audit Report 2023/2024

North Killingholme Parish Council

General Overview

Overall, I would recommend that governance needs to be strengthened to ensure compliance with legislation and transparency of decisions made.

The year end audit process has not been reported properly and the Exercise of Public Rights has not been published as required by the Accounts and Audit Regulations 2015.

Recommendations

Based on my findings highlighted in the report attached I would recommend the Council looks at the following areas:

- Ensure the correct AGAR forms are used for 2023/24
- Ensure the Exercise of Public Rights is done correctly in future, this is a requirement of the Local Audit and Accountability Act 2014 and the Accounts and Audit Regulations 2015
- Have the budget on the website for transparency
- Produce a budget monitor/bank reconciliation at least 4 times a year
- Ensure Councillors comply with Standing Orders and Financial Regulations
- Have a Scheme of Delegation in place so that it is clear as to who is responsible for what
- Fix the link to Councillor's Register of Interest Forms on the website

- Put a bit more detail into the minutes so that those not present can understand what is being discussed and agreed
- Consider national recommendations to have a .gov.uk email address

Andy Hopkins

Internal Auditor

May 2024

North Killingholme Parish Council

Annual Governance and Accountability Internal Audit Report 2023/23

Item	Check	Notes/Findings
Minutes and Agendas	That they are kept correctly, numbered, initialled and signed by Chairman etc. as well as Committee meetings and that meetings are called lawfully.	<p>Council meetings have been called in the correct time.</p> <p>Minutes and agendas have been uploaded to the website.</p> <p>As per the LGA1972 the Annual Council Meeting and appointment of the Chairman should take place annually in May, this has not been done. The Annual Council meeting was held in April but there was no Chair has been appointed for 2023/24.</p> <p>Extraordinary meetings should be called by the Chair not the Clerk.</p>
Purchase Invoices	Kept and VAT invoices where appropriate and marked with cheque numbers for reference.	Invoices are prepared each month for the Council to approve.
VAT	Where applicable correctly recorded and reclaimed for previous year.	A Vat claim was made for the year.
Sales Invoices	Produced timely and correctly and supported by appropriate paperwork such as diaries/emails etc.	NA
Credit Control/Debts	That any sales invoices are credit controlled and payments chased.	NA

<p>Receipts and Payments</p>	<p>That payments are made properly by cheque/BACS/DD/SO and properly recorded and that receipts are also made properly and properly recorded and supported by paperwork trail.</p>	<p>A payment schedule is produced for each meeting and signed off.</p> <p>Scribe accounting software is being adopted for the Clerk to manage accounts better.</p>
<p>Staffing/Personnel</p>	<p>That staff have appropriate contracts and procedures are in place for personnel management.</p>	<p>There is no Personnel Committee as far as I can see.</p> <p>The Clerk had a written statement of particulars.</p>
<p>Payroll</p>	<p>That appropriate payroll system is in place and supporting information for pay rates/salary levels etc.</p>	<p>Phoenix payroll system has been put in place for payroll and pension payments.</p> <p>The National Pay award was discussed and approved for payment.</p> <p>Payroll is authorised as part of the Payment Schedule and includes expenses and HMRC PAYE payments.</p>
<p>Governance</p>	<p>That Standing Orders/Finance Regs/Insurance and all other policy documents are in place and that they are reviewed at least annually.</p>	<p>The Council correctly declared an exemption for 2022/23 as under 25k but used the incorrect form (Parish Meeting) and was signed by the Chairman not the Clerk.</p> <p>Standing Orders & Financial Regulations, and other policies, were reviewed in February 2024.</p> <p>The AGAR has not been uploaded to the website.</p> <p>There is no Exercise of Public Rights on the website.</p> <p>There is no Conclusion of Audit on the website.</p>

		<p>There is no Internal Audit report on the website.</p> <p>There is a link to Councillor's Register of Interest Forms on the website but it does not work.</p>
Transparency		<p>Some minutes need a bit more detail so that those not attending can understand what was discussed and agreed.</p> <p>There is no budget on the website.</p>
Cash handling	That all cash handled is subject to audit/security trail and this is adhered to.	No petty cash.
Budgets and Monitoring	That a budget is in place and adhered to, with monitoring.	<p>The budget and precept were agreed at the 18 Jan 24 meeting.</p> <p>The budget is not on the website.</p> <p>I didn't see any evidence of the approved budget being monitored during the year, i.e. actual v. spend by budget line.</p>
Accounting/Finance	That at least quarterly account reconciliations are in place and presented to Council.	<p>A bank reconciliation should be done 4 times a year, not just at year end.</p> <p>Scribe accounting software is being adopted for the Clerk to manage accounts better.</p> <p>Due to issues with banking an online account is being explored.</p>
Accountability	That Councillors sign cheque book stubs, initial and sign finance information presented and are presented with	I cannot see an Internal Control Document.

	information to allow accountability.	A payment was made for £2490, Fin. Regs state that 3 quotes should be sought. I understand that this was an emergency but FRs state that in an emergency the Clerk can make a payment but only up to £250.
Audit	That internal audit is carried out with report presented to Council and that external audit paperwork is correctly completed and presented to Council and followed up with any appropriate actions.	The Internal Audit has not been uploaded to the website.
Precept and grants	That precept level is officially set and communicated to local authority and correctly received.	The precept was agreed by Council in 18 Jan 24 and sent to NLC.
Section 137	That it is separately recorded, and cap adhered to.	A wreath was purchased by the Council, I presume that this is S137 spend and should be clearly marked as such.
Other notes	.gov.uk email	<p>Councils are advised to get an approved .gov.uk email account.</p> <p>The importance of using .gov.uk domains for websites and emails</p> <p>1 All Parish, Town and Community Councils are eligible to use, and are advised to use, a .gov.uk domain for their websites and email communications. Your community, suppliers and partners will now reasonably expect a local council to have a .gov.uk domain name. Note that Parish meetings are exempt from the requirement to have a website.</p> <p>2 To assist with compliance with the General Data Protection Regulations (GDPR), it is advised that clerks provide official .gov.uk email accounts to their councillors, which must only be used for official council business.</p>

		<p>3 When choosing a domain name all councils must follow the rules set out by the Cabinet Office to choose a .gov.uk domain name, for example, 'ourparishcouncil.gov.uk' with email addresses linked to that domain.</p> <p>1 Using a .gov.uk domain for your council website and email accounts gives Parish Councils the following advantages:</p> <p>2 Increased professionalism and trust from members of your community, partners and suppliers because your email address and website domains are a trusted government brand.</p> <p>3 Separation of your personal life from your professional life, ensuring members of your community, partners and suppliers understand what capacity you are emailing them in - whether a Councillor or Clerk.</p> <p>4 Increased control for the Responsible Officer over email accounts and documentation when managing new joiners, leavers, sudden absences or Freedom of Information and Subject Access Requests.</p> <p>5 Peace of mind that your .gov.uk Parish Council domain will never be sold to someone else if it is not renewed on time, which can happen with .co.uk, .org.uk and other commercial domains.</p> <p>6 Additional security measures, as all .gov.uk domains are checked for any cyber vulnerabilities by the Cabinet Office and reported to the Responsible Owner, or your technical point of contact, so they can be fixed.</p> <p>7 You can read more about the benefits of getting a .gov.uk domain on the GOV.UK website.</p>
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