EAST KEAL PARISH COUNCIL

INTERNAL AUDIT REPORT

2024 2025 Year

A. **Appropriate Accounting Records (Yes)**

I have ticked yes here, however the separate spreadsheets do not show clearly the balances brought forward and balances to carry forward. It is appreciated that most smaller councils now use Excel but it would create a better audit trail if carry forward and brought forward figures were included.

B **Finance Regulations/invoice supporting/VAT (Yes)**

Again I have ticked yes – although is no evidence of VAT being claimed for and some invoices are missing (eg Stephen Fletcher). Standing order and policies were approved in March 2025.

C **Risk Assessment by Authority (Yes)**

There is a Risk Management Policy in place, but this does not indicate how financial risks are to be managed.

D. **Precept & reporting against precept (Yes)**

Precept setting and requirement followed a prepared budget.

E. **Expected income (Yes)**

All income has been properly receipted and recorded,

F. **Petty Cash (N/A)**

There is no petty cash held.

G. **Salaries (No)**

It would appear that HMRC PAYE payments were only started with the new Clerk in post, there is no evidence of the Council fulfilling its liability as Employers regarding PAYE. I presume the new Clerk uses the HMRC RTI reporting system for salaries and tax liability.

H. **Asset registers (No)**

There is a list of assets on the web site, however there does not seem to be an actual Asset Register, listing values – to correspond with insurance and Assets and Investments Box 9 on the AGAR form.

I. **Bank Account reconciliations (Yes)**

There is regular reporting of bank balances throughout the year and a final statement at end of year.

J **Accounts Statements, supported by adequate audit trail (Yes)**

I have ticked yes here, however the audit trail could be improved.

K. **Exemption Yes**

The Council declared itself exempt for 23/24 year

L. **Website (Yes)**

The Council’s website shows the AGAR forms being published for year 23/24 in full.

M. **Exercise of Public Rights (Yes)**

The notice advising of public rights to examine the accounts 23 / 24 was correctly published on the Council’s website

N. **Publication requirements 22 / 23 (Yes)**

The completed AGAR forms for 22 / 23 year were published on the Council’s website.

**NOTES**

There are some invoices not provided, however the Clerk is aware of this and is trying to locate them.

In April 24 expenditure was approved for LALC subs and Training, but these sums were not present on the expenditure sheet.

In July it was noted that expenditure was approved for £4.50 PATS testing and also a sum for postage expenses to be reimbursed to the Chair but the sum noted was also £4.50. It is the PATS testing sum recorded on the expenditure sheet and no Chairs reimbursement.

There were some expenditures noted on the expenditure sheet in May (£40 Village hall; £290.92 S. Fletcher audit, £441 insurance & £50 donation which do not appear to have been minuted and approved by Council. There is also a duplicate sum of £20 for Village Hall noted in the expenditure sheet in July and November.

Minute 13 refers to signing the audit forms and sending to Littlejohn, but there is no order of approval and signing, and the minute refers to 24/25 audit which would not have been completed then.

**Important Note**

The AGAR Accounting Statement shows a discrepancy in the balance to be carried forward at the end of the 23/24 period and the balance brought forward at the start of the 24/25 period. (Box 7 – balances carried forward £5369; Box 1 balances brought forward £3273. These should tally, or a clear explanation of why the difference. An explanation of differences in staff costs and all other expenditure (boxes 4 and 6) should also be provided.

Box 9 Fixed assets – this needs to compare with the Asset Register valuation.

Other points:

The Annual Council meeting always starts with Election of Chairman, before Apologies – the May 24 meeting did not follow that process. However, I appreciate that the Council was operating without a Clerk at the time and that the new Clerk has followed the correct procedure for May 25.

The 12th Sept minutes refer to Co-option notices to be produced and displayed, but no mention that the Returning Officer was informed of the vacancy and consent granted to co-opt following Returning Officer’s notices.

The Clerk has set the Council up with .gov email addresses, which is a good thing. However, I could not find a minute approving the expenditure, or evidence of the costs being reported.

The format for the Annual Parish Meeting is very good and to include reports from village bodies is an excellent idea.

There are some points which need addressing, however I have explained these to the current Clerk who I am sure will address these and report back to the Council when the AGAR forms and Internal Audit report is discussed.

From the information presented to me the accounts balance.

J. Cooper BSc 9th June 2025