Kerry Butcher
ACCOUNTANCY SERVICES

Mrs Elaine Tinsley
Clerk to Great Ellingham Parish Council
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13 March 2025

Dear Chair, Clerk and Councillors of Great Ellingham Parish Council

Internal Audit Report for Great Ellingham Parish Council for the year ended 31 March 2024

Thank you for allowing Kerry Butcher Accountancy Services (KBA) to carry out the internal audit review of Great Ellingham Parish Council for the year ended 31 March 24 and special thanks must be made to the Clerk, Mrs Elaine Tinsley for her help and support having only recently taken over the role as Parish Clerk and RFO.

This firm has carried out the internal audit for Great Ellingham Parish Council – this has been carried out in accordance with the Annual Governance and Accountability Return Guidance. The purpose of the internal audit is to review whether all systems of control, financial and other are effective. As the internal auditor, KBA does not look for any fraudulent activities nor do we give an opinion on the accounts.
The Parish Council is a smaller authority where neither the gross income nor the gross expenditure exceeded £25,000 and therefore can certify themselves as exempt from limited assurance review under Section 9 of the Local Audit (Smaller Authorities) Regulations 2015.

The following checks were completed as part of the internal audit measures:

Appropriate Accounting Records and Book keeping
We have reviewed and inspected the Council's records to 31 March 24. As this is the first year that this firm has completed this internal audit, additional time has been taken to review all minutes of meetings, the precept amounts, the expenditure and the documentation. We have also reviewed all bank statements both current and deposit accounts, checked bank reconciliations and checked the cashbook to check all receipts and payments.
A sample of receipts and payments have been traced from the minutes, through the invoices, to the cashbook and the entries to and from the bank account and these have all been accounted

for appropriately. A small number of payments listed in the minutes were not ultimately made from the account but these were checked with the Clerk who confirmed these had not been processed and that the payments were considered not confirmed.
The bank account reconciliations were all accurate and no omissions were found in the cash book.

Compliance with Financial Regulations

The cashbook was checked thoroughly together with the minutes of each meeting to ensure that all payments were listed and approved. Having checked with the clerk, we noted that the VAT claim for this financial year has not yet been made. Some VAT has been added to the cashbook by KBA as the internal auditors and these will be discussed with the new clerk. The new clerk advises that she will shortly be making the VAT 126 reclaim for the year and this will be checked as part of the 24-25 audit.
The VAT to be reclaimed was checked back to the invoices and found to be shown – the VAT on larger items was reported within the cashbook correctly itemised separately.

Assessment of Risks to achieve objectives and adequacy of arrangements to manage these.

The risk assessments were located on the Parish council website and these were reviewed in detail – the risk assessment is appropriate in the opinion of the internal auditor – these were last reviewed in February 2021 according to the Council website. If the assessments have not been reviewed since Feb 21 a revisit would be suggested but we understand that is being implemented at the time of the audit. The risk assessments are shown on the website – we would suggest that the link to the " general risk assessment" is either updated or removed – as currently this shows that it cannot be found. We believe that this has been superseded by the more bespoke assessments but clarification could be useful.
Insurance – Having checked with the clerk, we established that although reference was made to the renewal of the insurance policy – payment was not made – the clerk is now addressing this as a matter of urgency and this will be implemented shortly. There is no insurance cost for this year of accounts. We would recommend that this matter is reviewed during the internal audit for 24/25 to ensure that the insurance policy has been implemented successfully.
Effectiveness of Internal Audit – this firm has reviewed the previous reports made by the previous internal auditor and also the guidance given – the Council has ensured that all procedures for the internal audit have been put in place.
The statement and review of Internal control is detailed on the Council website and was last updated in March 21.

Precept and Adequate Budgetary Controls and Reserves

The precept for the year was agreed at £10,500 following preparation of budgets which have been received by KBA. This was an increase of £1,500 from 22/23 . The precept was received in April and September 23.
We confirm that the precept was agreed through adequate budgetary process - the budget was reviewed against actual and reserves have been reviewed and increased where appropriate.
The precept for 24/25 of £12,000 was recorded in the minutes in February 24 this is an increase of 14.29%.
There is no section 137 expenditure in this financial year. The statutory limit for S137 remains at £500.

The General Reserve Policy and Data Protection Policy were accepted and approved in the minutes of the meeting dated 27 February 24 and can be found on the website.

Expected Income fully received and recorded and VAT accounted for

We have reviewed all income in the year and can confirm that this has all been recorded and accounted for correctly. There do not appear to be any cash transactions. There are however payment controls in place which would minimise any loss.

All VAT payments have been accounted for separately – as stated above, the claim will shortly be made to obtain the VAT refund due and an update from the clerk would be appreciated in due course.

Petty Cash

The Parish council does not operate a petty cash system and therefore this is not applicable.

Salaries to Employees and Allowances to Members

The Parish Clerk offered her resignation in February 2024 and this was noted in the minutes of this meeting. Within the same minutes, it was reported that a new clerk was being considered and a salary agreed. The members approved the appointment of the new clerk.

The pay award notified by Norfolk ALC was noted and agreed to be implemented when appropriate in the minutes of the November 23 meeting.

The Clerks salary and expenses have all been properly approved by the Council and the PAYE properly operated. The payroll information was reviewed and checked – the clerk salary is below the threshold at which payment of NIC is due and no tax deductions were required in this year. It was noted that a resolution was approved at the meeting dated 20 March 24 that the Parish Clerk be designated as eligible for membership of the LGPS with effect from 21 March 24. Pension contributions were noted but we understand from the current clerk that these were not finally approved and not paid.

Asset and Investment Registers

We have examined the asset register and note that the assets have been reviewed and recorded by the Council.

Bank Reconciliations

We have examined the Bank Statements and cashbook and confirm that there have been regular bank reconciliations throughout the year which have been approved by the members at meetings and minuted. A year end reconciliation has been completed for both HSBC accounts and these have been reviewed and checked. We confirm that these agree to the balances held on the accounts at this date.

The reconciliations detail all necessary information although there were no outstanding items to be balanced. The total value of all funds held are reported on the reconciliation.

Accounting Statements

We are pleased to confirm that the year end accounts are prepared on a receipts and payments basis and that the accounts agree to the cashbook and accounting records provided. The documentation provided has enabled us to prepare our own audit trail and all documentation is well ordered and presented.

We understand that the Council will complete the Annual Governance and Accountability Return 2023/24 Form 2 where the higher of gross income or gross expenditure must be £25,000 or less. We understand that the Council will certify themselves as exempt from a limited assurance review as they have in previous years.
The gross annual income totals £12,176 with gross annual expenditure totalling £15,626.

Exemption from Limited Assurance Review
The Parish Council certified itself as exempt from a limited assurance review in 2022/23, the council met the exemption criteria and correctly declared itself exempt this was noted in the minutes dated 19 July 23.

Publication of Information on a Website
We have reviewed and examined the Parish Council website www.greatellinghamparishcouncil.norfolkparishes.gov.uk and believe that it has met the requirements of the Transparency Code. All documents are published on the website at the date of this audit.

Exercise of Public Rights as required by the Accounts and Audit Regulations
We have reviewed the Parish Council website and have noted the Exercise of Public Rights Statement within the section detailing all Financial Reports.

Publication Requirements for AGAR
We can confirm that the Council has complied with the publication requirements for 22/23.

Trust Fund
The Parish Council has no trusts.

We thank the Parish Council for allowing us to complete this internal audit and hope that the information provided will be useful and enable the external auditors to complete their work.
If you should have any queries please feel free to contact us.
We are pleased to attach our fee for the work as approved and wish the Parish Council every success in the coming months.

Yours sincerely

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