

**TOSTOCK PARISH COUNCIL**  
**Ordinary Meeting: 16 July 2024**

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**Internal Audit Report 2023-2024: Recommendations and Clerk's Responses**

1. *Insurance was in place for the year of audit. The Risk Assessment, including Internal Controls, has not been reviewed during the year of audit. It is noted that this is due to be reviewed on 14/5/2024.*

**Recommendation:** *To undertake and minute a review of the Risk Assessment and Internal Controls during the year of audit.*

**Response 1:**

The risk assessment and review of internal controls were both fully considered and approved at the Council meeting on 14 May 2024. The former appeared not to have been reviewed in their entirety since 10 October 2018 and the latter, seemingly, not at all. Both will be scheduled to be reviewed again during the 2024-2025 year as recommended

2. *Fidelity Cover: £25,000.  
The level of Fidelity cover is below the recommended guidelines of year end balances plus 50% of the precept.*

**Recommendation:** *To carry out a review of the level of Fidelity cover.*

**Response 2:**

This will be undertaken during the insurance review to be carried out ahead of the policy renewal on 1 October.

3. *Under the requirements of the **Accounts and Audit Regulations 2015 (13(2b))** councils are required to display AGARs (Annual Governance and Accountability Returns) for the previous five years, i.e. 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 on their websites. The Council has not met the publication requirements. Some of the published AGARs are incomplete and there is no information available for the 2018-2019 financial year.*

**Recommendation:** *To publish all the required information.*

**Response 3:**

The failure to meet publication requirements by the previous Council has now been rectified in full with all AGARs and related financial data published.

4. *AGAR:           Receipts £24,775;           Payments £14,361  
Cashbook:       Receipts £25,275.26;       Payments £14,862.12  
The AGAR receipts and payments should reflect the cashbook figures.*

**Recommendation:** *To review the AGAR figures.*

5. *It is noted that £350 income received on behalf of the knitting group, and then paid to the group has not been included as a receipt or payment. As this is money that has been received into the Council's bank account and paid out to a third party the Council should include both the receipt and the payment in its accounts.*

**Recommendation:** *To include the £350 income and payment in the Council's*

accounts. This may result in the Council exceeding the £25,000 Transparency Code for Smaller Authorities threshold.

#### **Responses 4 and 5:**

The differences between the figures were communicated specifically to the Internal Auditor when documents and data were handed over for examination. For the avoidance of any doubt, they were also noted very clearly in the appropriate financial workbooks.

The differences were caused by:

(a) Mid Suffolk District Council charging an incorrect fee for election costs which resulted in a refund of £500.58. This sum was, therefore, then deducted from the original fee of £1,433.31 such that the budget represented the correct cost; and  
(b) as identified, the Council (being a formal body) acting as a means of enabling the Crochet Club to receive a grant from Mid Suffolk District Council. As this money had nothing to do with the Parish Council it was not recorded in the budget as at no time was it either Council income or expenditure. For accountability and transparency, however, it was properly logged and reflected in the cashbook. Neither of the above recommendations, it is suggested, warrant any further action.

6. *Following on from a recommendation made by the previous year's Internal Auditor, it is recommended that the Council adopt a Reserves Policy outlining an acceptable level of general reserves and the rationale behind its decision. The Reserves Policy would also cover the CIL funds the Council holds and the infrastructure projects the funds will be allocated to.*

***Recommendation:*** To adopt a Reserves Policy.

#### **Response 6:**

Adopted by the Council at its last meeting on 14 May 2024.

7. *The Council was selected for an intermediate audit for the 2022-2023 financial year. There was no evidence that the External Auditor's report was considered at a meeting.*

***Recommendation:*** To minute the consideration of the External Auditor's report.

#### **Response 7:**

Actions required by the External Auditor as a result of the 2022-2023 review have all been carried out but it is accepted that a full and proper minute should have recorded.

## **Conclusion**

It is firmly believed that all recommendations from 2023-2024 internal audit have been properly and carefully considered and, where necessary, remedial action taken.