



Internal Audit Report

Council: **Ruskington Parish Council 2023/24**

Period: **1st April 2024 to 31st March 2025**

To: **The Chairman and Elected Members – Ruskington Parish Council**

The requirements of this audit were discussed with the Clerk and the Responsible Finance Officer (RFO) during the onsite visit Thursday 27th March 2025.

I carried physical review of financial records and other relevant associated documents during the onsite visit and documentation has also been reviewed on-line via the Councils website:

<https://ruskington.parish.lincolnshire.gov.uk/>

Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control.

Managing the council's internal controls should be a day-to-day function of the council through its staff, management and adopted policies. It would be incorrect to view the internal audit process as a detailed inspection of all records and transactions of a council to detect error or fraud.

This report is based on the evidence made available and sampling tests undertaken during the process conducted in accordance with JPAG The Practitioners' Guide 2024.

The following areas of review were included in the scope of the interim audit

- **Accounting and bank reconciliations**
Review of financial records, the cashbook, and invoices to check that records are arithmetically correct, and an audit trail can be found for a random selection of transactions. Bank reconciliations and financial transactions have been reviewed and checked to ensure that they have been signed/authorised as appropriate by the Council.
- **Asset control and risk management**
Review of the council's asset controls and risk assessment procedures.
- **Budget and income**
Covering the council's budgeting processes and its annual precept request.
- **Governance**
Review of the key governance documents of a local council including Standing Orders, Financial Regulations, Code of Conduct, complaints procedures and insurance cover for the council.

- **Mid- year review**
Review of mid-year bank balances, cashbook and ledger to ensure they support and agree with bank statements, minutes and associated supporting paperwork and records.
- **Payroll and HR**
A review of payroll processes and HR policies and procedures including the legal responsibility of the Council in respect of contracts of employment and its undertaking of annual reviews to include the update of post roles and responsibilities and periodic pay scale reviews.
- **Proper process and practices**
This includes a review of the processes followed by the council in respect of its legal powers to act, the membership of the authority including whether co-options have been carried out appropriately, declarations of interest are recorded as necessary, and registers of interest are published on the council's website.
- **Review of transactions in the financial year**
A spot check of a random selection of transactions during the financial year. The review checks that there is a robust audit trail for the transactions from the authority to spend through to payment of invoices.
- **Transparency and requirements of the Transparency Code**
Covering the council's transparency, including, but not limited to, data protection procedures, spending authorisation and the Council's publication scheme. This review also covers the Council's requirement to publish documents and records in line with the relevant Transparency Code or best practice.

General

During my visit, all staff members were welcoming, polite, and courteous and openly shared relevant Council documentation and answered queries without hesitation.

The Parish Council is competently supported by an experienced, knowledgeable and dedicated team who remain key to the continued and effective delivery of Council business.

The Parish Clerk and the RFO have maintained accurate comprehensive documentation and records for the Parish Council.

I am satisfied that the accounts and balances for the financial and administration period (1st April 2024 to 31st March 2025) are financially correct and supported by detailed and accurate records.

The Council is informed on financial matters through the presentation of detailed reports by administrative staff members.

Areas for consideration:

- Buildings valuation to ensure the insurance held by the Council has adequate cover.

Internal Audit

Random transactions were checked during this audit to establish an effective audit trail from the authority to spend (within minutes) through to payments made.

This report is accompanied by an Internal Audit Checklist which identifies checks carried out, relevant audit notes and identifies areas for consideration and/or action.

I am satisfied that the accounts and bank balances for the period 1st April 2024 to 31st March 2025 are financially correct

I take this opportunity to thank all staff members for their assistance and for supplying supporting documentation whilst carrying out this review.

FINDINGS & RECOMMENDATIONS:

- **KEY GOVERNANCE**

Councillor Vacancies - The Council should continue its efforts to fill the four vacant seats on the Council. Vacancies could lead to inquorate meetings and business interruption (i.e., inadequate no. of bank signatories).

Earmarked / General reserves - At the end of the 2024-2025 period the total Council funds are below the levels advised in the JPAG Practitioners' Guide 2024. The Council should review its level of general reserves so that it has at least 3 months of general expenditure as a general reserve.

Asset Register - It is noted that work has been carried out on the asset register throughout the year following advice in the previous Internal Audit review. The Council should seek to gain updated insurance valuations of its properties to include full clearance and rebuild costs.

- **TRANSPARENCY**

Previous Internal Audit Report - The previous audit reports (internal and external) have been received and considered by the Parish Council.

Transparency Code 2015 - The Council has taken notice of the previous Internal Audit review and is now compliant with the Transparency Code for local authorities with a turnover above £200,000.

Provision of Public Rights – Adequate provision was made for the exercise of public rights to inspect accounts (and supplementary documentation) for the financial year and administration period 2023/24.

Appointment of Internal Auditor - Internal Auditor appointed service (via the Lincolnshire Association of Local Councils (LALC) during 2024/25. A detailed scope of the audit was discussed with the Parish Clerk and the Responsible Finance Officer (RFO).

Asset Register – A physical copy of the latest asset register was provided. The published version only includes updates / alterations during the 2024/25 period.

Health and Safety inspection of assets – A review of documentation to support such inspections was reviewed within this intermediate and year end audit process.

Internal Controls – Adequate and robust Internal Control methods have been implemented and enacted by staff and elected Members.

Investment Strategy – The Council should review its reserves in accordance with best practice to secure and protect public funds.

- **FINANCE**

Expenditure / Income – from a random sample no issues were found, and income and expenditure has been reported to and approved by Council throughout the year. Corresponding invoices and transactions (bank statements) support payments and income is properly recorded and administered with satisfactory reports and balances monitored against the agreed budget and reported to Council in accordance with financial regulations.

Bank reconciliations – these are undertaken on a regular basis by the Parish Clerk and the RFO and reported to Council in accordance with financial regulations. From a random sample there are no areas of concern.

Direct Debits, Standing Orders, Debit card payments and regular payments – such payments are approved by the Council or presented (retrospectively) for approval at the next appropriate meeting in line with best and adopted practice.

Debit Card - One Debit Card is held in the name of a staff member (as approved by the Council) and used in accordance with adopted financial regulations. The card is stored safely within the office. From a random selection of transactions, no areas of concern and are supported with corresponding invoices with subsequent reports presented to Council for approval.

Section 137 (s.137) Payments –The Council has a separate budget head for s.137 payments and spend during 2024/25 is within annual limits.

Borrowings – Not reviewed during this audit

Budget & Precept - The Council undertakes a suitable budget process to support its precept demand. This budget is presented to and approved by Council and published, along with supporting documents. The precept demand was submitted to North Kesteven District Council (NKDC) and the receipt of funds is recorded in financial records.

Internal Transfers / Virements (accounts) – To be reviewed at year-end.

VAT – VAT for payments/income are recorded correctly using approved software.

VAT Returns – VAT Returns are submitted quarterly to HMRC in a timely manner and reclaim receipts are identified on bank statements.

- **MANAGEMENT**

Meetings, Minutes & Agendas – from sample evidence it appears that Agendas (including summons to attend) are made in a timely manner and within legal timeframes. Agendas and supporting documentation are made available on the website and minutes (or notes) are published within the parameters of best practice.

Employment –HR, Payroll Policy, and Rates of Pay - from a random check of payments and transactions (including PAYE and NI contributions) all appear to have been calculated and correctly administered. It is noted that the RFO periodically checks the Government Gateway to verify correct amounts of PAYE and NI have been calculated and paid.

- **SERVICES**

Allotments - The Council-owned allotment sites are managed using approved Edge software for records and invoicing. The annual tenancy period is monitored with excellent up to date financial and administration records evidenced.

Burials / Cemetery – A light touch review of the cemetery and supporting burial documents was undertaken and there are no areas for concern.

Steve Fletcher

Mr S Fletcher

On behalf of Lincolnshire Association of Local Councils

31st March 2025

Appendix 1

Area of work checked	Outcome
Implementation of previous auditor recommendations	Satisfactory
Implementation of previous AGAR Weaknesses / recommendations	Satisfactory
Key Governance Review	Satisfactory
Transparency	Satisfactory
Accounting	Satisfactory
Budget	Satisfactory
Income Control	Satisfactory
Bank Reconciliation	Satisfactory
Petty Cash	Satisfactory
Year-end process	Satisfactory
Asset Control	Satisfactory
Risk Management	Satisfactory
General Administration	Satisfactory
Proper Process/Practice	Satisfactory
Payroll/HR	Satisfactory
Transaction spot checks	Satisfactory
Allotments	Satisfactory
Cemetery and burials	Satisfactory
Charities	Not applicable
Community Buildings	Not applicable