

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Monks Eleigh Parish Council – 2022/2023

The following Internal Audit was carried out on the adequacy of systems of control. The following recommendations/comments have been made:

Income: £25,710 Expenditure: £27,634 EMR: £28,790 Gen Reserves: £4,330

AGAR 2022 / 2023 Completion:

Section One: No

Section Two: Yes unsigned

Annual Internal Audit Report 2022 / 23: Yes

Certificate of Exemption: Not applicable

Proper book-keeping Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

All were found to be in order. LGAs137 and VAT payments are tracked and identified within the year-end accounts.

The cashbook is referenced providing a clear audit trail. Supporting paperwork is in place and well referenced.

Financial regulations Standing Orders and Financial Regulations
Tenders
Appropriate payment controls including acting within the legal framework with reference to council minutes
Identifying VAT payments and reclamation
Cheque books, paying in books and other relevant documents

Standing Orders in place: Yes

Reviewed: 26th September 2022 (Ref: 155/22)

Financial Regulations in place: Yes

Reviewed: 27th March 2023 (Ref: 215/22d)

VAT reclaimed during the year: No

Registered: No

General Power of Competence: No

There was no evidence in the Audit file that the tender for play equipment had been placed on the Contracts Finder databases as the total cost of the project exceeded the £25,000 Public Contract Regulations threshold.

Risk Assessment

Appropriate procedures in place for the activities of the council
Compliance with Data Protection regulations

Risk Assessment document in place: Yes

Data Protection registration: Yes – Z2744036 Expiry 27/07/2023

Data Protection

The General Data Protection Regulations have changed and the new Regulations came into force on 25 May 2018. It is likely that this will affect the way in which the Council handles its data. Due to the financial risk associated with the General Data Protection Regulations, the Council have included this in their Risk Assessment.

Privacy Policy published: Yes

Insurance was in place for the year of audit. The Risk Assessment was reviewed at a meeting held on 27th March 2023 (Ref: 215/22c). Internal Controls were reviewed at a meeting held on 27th March 2023 (Ref: 215/22c).

The Council have good internal financial controls in place. The Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.

The annual play area inspection has been undertaken during the year minutes of 25th July 2022 (Ref: 144/22d).

Fidelity Cover: £50,000

The level of Fidelity cover is within the recommended guidelines of year-end balances plus 50% of the precept.

The council adopted the revised Code of Conduct at the meeting on 23rd May 2022 (Ref: 10/22).

Transparency

Under the **Transparency code for smaller authorities**, smaller councils with income/expenditure under £25,000 should publish on their website from 1 April 2015:

Smaller Council: No

Website: www.monkseleighpc.onesuffolk.net

The Council is not subject to the requirements of the Transparency Code for smaller Councils.

Under **The Accounts & Audit Regulations 2015 13(1a&b)** councils must publish on their website:

Statement of Accounts, External Audit report and Annual Governance statement.

2022 Annual Return, Section One Published – Yes

2022 Annual Return, Section Two Published – Yes

2022 Annual Return, Section Three Published – Yes

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** a council is required to display AGAR's for the five years 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 on their website. The council has complied with this requirement.

Under **The Accounts & Audit Regulations 2015 15(2b)** councils must publish on their website:

Notice of period for the exercise of public rights

Published – Yes

Period of Exercise of Public Rights

Start Date 13th June 2022

End Date 22nd July 2022

Budgetary controls

Verifying the budgetary process with reference to council minutes and supporting documents

Precept: £19,000 (2022 / 2023) Date: 24th January 2022 (Ref: 116/21d)

Precept: £21,090 (2023 / 2024) Date: 23rd January 2023 (Ref: 193/22d)

Good budgetary procedures are in place. The precept was agreed in full council and the precept decision and amount has been clearly minuted. The Clerk ensures the council are aware of responsibilities, commitments, forward planning and the need for adequate reserves. Budget papers are prepared to ensure councillors have sufficient information to make informed decisions. Budgets are monitored during the year.

Income controls

Precept and other income, including credit control mechanisms

All were found to be in order. Income controls were checked and income received and banked cross-referenced with the Cash Book and bank statements.

The Allotment rent was reviewed at meeting on 23^d May 2022 (Ref: 22/22d).

Petty Cash

Associated books and established system in place

A satisfactory expenses system is in place with supporting paperwork. No Petty Cash held.

Payroll controls

PAYE and NIC in place where necessary.
Compliance with Inland Revenue procedures
Records relating to contracts of employment

PAYE System in place: **Yes – PAYE Tools**
Employer PAYE Reference: 120/WA55990
P60's issued: Yes

The Council continue to operate RTI in accordance with HMRC regulations. All supporting paperwork is in place and a P60 has been produced as part of the year-end process. The Council has not joined the LGPS / NEST pension scheme.

It is noted that the Council undertook a review of salaries at a meeting held on 26th September 2022 (Ref: 160/22).

Asset control

Inspection of asset register and checks on existence of assets
Cross-checking on insurance cover

*A separate asset register is in place. Values are recorded at cost value. The total value of assets is recorded at £66,527. The figure in the asset register **does not correspond** with the figure in Section 2, Box 9 of the AGAR.*

Bank Reconciliation

Regularly completed and cash books reconcile with bank statements

All were in order. Bank Reconciliations are carried out regularly. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts.

Reconciled Bank Balances as at 31st March 2023 were confirmed as:

<i>Barclays Community</i>	<i>£30,907.22</i>
<i>Barclays Premium</i>	<i>£ 8,913.31</i>

Reserves

General Reserves are reasonable for the activities of the Council
Earmarked Reserves are identified

The Council have general reserves of £4,330 (20% of Precept) and have identified earmarked reserves (£28,790) in their year-end accounts.

Recommendation (1): *The council should adopt a Reserves Policy.*

Year-end procedures

Appropriate accounting procedures are used and can be followed through from working papers to final documents
Verifying sample payments and income
Checking creditors and debtors where appropriate.

End-of-year accounts is prepared on a Receipts & Payments basis.

Sole Trustee

The Council has met its responsibilities as a trustee

The Council is a Trustee of the Gallets and Polebridge Recreation Ground (Charity No. 304923)

The last annual submission of the accounts was for the year ended 31st March 2015.

Internal Audit Procedures

The 2022 Internal Audit report was considered by the Council at a meeting held on 26th September 2022 (Ref: 144/22d).

A review of the effectiveness of the Internal Audit was carried out on 27th March 2023 (Ref: 215/22e).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 27th March 2023 (Ref: 215/22e).

External Audit

The Council formally approved the 2022 AGAR at a meeting of the full Council held on 23rd May 2022 (Ref: 22/22f & g).

The External Auditor's report was considered at a meeting held on 26th September 2022 (Ref: 144/22c).

The following matters were brought to the attention of the Council:

The date for Section 1 has been incorrectly recorded on the AGAR. The minutes of the meeting at which the AGAR was approved have been reviewed and demonstrate that Sections 1 and 2 have been approved in the correct order. The smaller authority should ensure that the correct dates are recorded on the AGAR in future.

Additional Comments/Recommendations

- The Annual Parish meeting was held on 23rd May 2022. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- There are no additional comments/recommendations to make in relation to this audit.
- I would like to record my appreciation to the Clerk to the Council for the quality of documentation presented in the Audit File.



Dave Crimmin PSLCC
Heelis & Lodge
6th May 2023