

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Weybread Parish Council – 2021/2022

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

Income: £5,796.95 Expenditure: £5,241.60 Reserves: £6,252.23

AGAR Completion:

Section One: Yes - signed

Section Two: Yes - signed

It is noted that the expenditure figure in the Certificate of Exemption is incorrect (£5,421) as the figures have been transposed. The correct figure to enter is £5,241.

Annual Internal Audit Report 2021/2022: Yes

Certificate of Exemption: Yes

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.

It is noted that there was a payment to the PCC for £500 for churchyard maintenance (chq ref: 100409). It is not known whether the churchyard is open or closed. The Council should be aware that there is only a power for churchyard maintenance if the churchyard is closed. Any payment made towards an open churchyard is ultra vires.

Recommendation: *To clarify if the churchyard is closed.*

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

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Standing Orders in place: Yes
Reviewed: 4/5/2021 (Ref: 8)
Financial Regulations in place: Yes
Reviewed: 4/5/2021 (Ref: 8)

VAT reclaimed during the year: Yes Registered: No

General Power of Competence: No

There were no tenders during the year that 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 (Ref: ZB058376)

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, including Internal Controls were reviewed at a meeting held on 4/5/2021 (Ref: 16). Internal Controls were reviewed again at a meeting held on 17/5/2022 (Ref: 15).

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.

Fidelity Cover: £25,000

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

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: Yes
Website: www.veybread.com

- a) all items of expenditure above £100
Published – No – we were unable to find evidence to support this
- b) annual governance statement (By 1 July)
2021 Annual Return, Section One Published – Yes
- c) end of year accounts (By 1 July)
2021 Annual Return, Section Two Published – Yes
- d) internal audit report (By 1 July)
2021 Annual Return, Section Four Published – Yes
- e) list of councillor or member responsibilities
Published – No – we were unable to find evidence to support this
- f) the details of public land and building assets (By 1 July)
Published – No – we were unable to find evidence to support this
- g) minutes, agendas and meeting papers of formal meetings
Published – Yes

The Council have yet to meet the requirements of the Transparency Code. Guidance on documents that need to be published can be found on https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388541/Transparency_Code_for_Smaller_Authorities.pdf

Recommendation: *To comply with the requirements of the Transparency Code in accordance with the attached guidance.*

Under **The Local Audit (Smaller Authorities) Regulations 2015 9(6 & 7)** a smaller council having certified itself as an Exempt Authority must publish on their website:

Certificate of Exemption
Certificate of Exemption Published - Yes

Under **The Accounts & Audit Regulations** 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 *14/6/2021* End Date *23/7/2021*

The Council have met the publication requirements for the 2021 AGAR.

Budgetary controls supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £5,000 (2021-2022) Date: 19/1/2021 (Ref: 6)
Precept: £5,100 (2022-2023) Date: 18/1/2022 (Ref: 13)

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Effective 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.

Allotment rents were reviewed at a meeting held on 18/1/2022 (Ref: 18).

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**

Employer's Reference: **475/BA57001**

P60s issued: **Yes**

The Council continue to operate RTI in accordance with HMRC regulations. Payroll was previously outsourced but is now carried out in house (Ref: 21/9/2021 - Ref: 15). All supporting paperwork is in place and a P60 has been produced as part of the year end process.

The national pay award for 2021-2022 has been recognised.

It is noted that the Council undertook a review of salaries at a meeting held on 21/9/2021 (Ref: 15).

Asset control

Inspection of asset register and checks on existence of assets

Cross checking on insurance cover

A separate asset register is in place and a review undertaken on 4/5/2021 (Ref: 9). Values are recorded at cost value/insurance value. The total value of assets are recorded at £5,112. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.

Bank Reconciliation	<p>Regularly completed and cash books reconcile with bank statements</p> <p><i>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.</i></p> <p><i>Bank Balances at 31 March were confirmed as:</i></p> <table border="0"> <tr> <td><i>HSBC</i></td> <td><i>xxxx7371</i></td> <td><i>£6,430.43</i></td> </tr> </table>	<i>HSBC</i>	<i>xxxx7371</i>	<i>£6,430.43</i>
<i>HSBC</i>	<i>xxxx7371</i>	<i>£6,430.43</i>		
Reserves	<p>General Reserves are reasonable for the activities of the Council Earmarked Reserves are identified</p> <p><i>The Council have adequate general reserves (£5,241) in their year end accounts.</i></p>			
Year-end procedures	<p>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.</p> <p><i>End of year accounts are prepared on a Receipts & Payments basis.</i></p>			
Sole Trustee	<p>The Council has met its responsibilities as a trustee</p> <p><i>The Council is not a sole trustee.</i></p>			
Internal Audit Procedures	<p><i>The 2021 Internal Audit report was considered by the Council at a meeting held on 20/7/2021 (Ref: 11).</i></p> <p><i>A review of the effectiveness was undertaken on 4/5/2021 (Ref: 24). An Audit Plan is in place.</i></p> <p><i>Heelis & Lodge were appointed as Internal Auditor at a meeting held on 18/1/2022 (Ref: 12).</i></p>			
External Audit	<p><i>The Council formally approved the 2021 AGAR at a meeting of the full Council held on 4/5/2021 (Ref: 19-21).</i></p> <p><i>The Council declared themselves Exempt from External audit for the 2020-2021 financial year.</i></p>			

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 4/5/2021. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- It is noted that minutes are kept in a loose-leaf format. When this is the case it is a requirement to consecutively number the pages throughout the year. It is **recommended** that this is carried out in future.
- 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 his assistance during the course of the audit work



Heather Heelis
Heelis & Lodge
20 July 2022

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Weybread Parish Council

Invoice No: HL9274
Date: 20 July 2022

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for Weybread Parish Council for the year ended 31 March 2022	1	58.00	58.00
Total			58.00

Please make cheques payable to: Heelis & Lodge

Bank Details: Account 02539349 Sort Code 72-00-00

Terms – 30 days

Thank you.

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