

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Ingatestone and Fryerning 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: £227,103.04      Expenditure: £311,478.72      Reserves: £179,327

### AGAR Completion:

Section One: **No**

Section Two: **Yes - unsigned**

Annual Internal Audit Report 2020/2021: **Yes**

Certificate of Exemption: **No**

**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: **6/5/2021 (Ref: FC21/073)**

Financial Regulations in place: **Yes**

Reviewed: **6/5/2021 (Ref: FC21/073)**

VAT reclaimed during the year: **Yes**

Registered: **Yes**

*VAT returns have been submitted for Quarters 1-4.*

General Power of Competence: **No**

*Tenders exceeding the £25,000 threshold have been advertised on the Contract Finders website.*

Contact details : 1 Hembling Terrace, Mill Lane, Suffolk, IP13 0PP

Tel: 07732 681125

Email: heather@heelis.eu

Heather Heelis Dip HE Local Policy FILCM

Lynne Lodge Dip HE Local Policy

*The Safeguarding Policy was reviewed and approved at a meeting held on 3/6/2021 (Ref: FC21/089).*

*The following policies were reviewed at a meeting held on 6/5/2021 (Ref: FC21/073):*

- *Code of Conduct*
- *Equality and Diversity*
- *Council Employee relations*
- *Disciplinary*
- *Grievance*
- *Health and Safety*
- *Lone Working*
- *Unacceptable Behaviour*

*The Classifying and Handling Risk Policy was adopted at a meeting held on 1 April 2021 (Ref: FC21/052).*

## **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: Z2055557)

### ***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 21/6/2021 (Ref: LS21/068) and formally adopted at the full Council meeting held on 8/7/2021 (Ref: FC21/099.3).*

*The following supplementary Risk Assessments were approved at a meeting held on 1/4/2021 (Ref: FC21/057):*

- *Fryerning Cemetery*
- *Business Continuity*
- *Financial*
- *Fairfield*
- *Planning*
- *Parish Office*

*The Complaints Policy was approved at a meeting held on 1/4/2021 (Ref: FC21/058).*

*The Council have effective 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 RoSPA inspection has been undertaken during the year (Ref: 12/7/2021 – FA21/081).*

Fidelity Cover: £250,000

*The Council undertook a review of Fidelity Cover at a meeting held on 24/5/2021 (Ref: LF21/056) and resolved that the current level was adequate with the planned expenditure for the 2021-2022 financial year and internal controls in place.*

## 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: <https://www.ingatestone-fryerningpc.gov.uk/>

*The Council is not subject to the requirements of the Transparency Code for smaller Councils. The Transparency Code for Councils with a turnover exceeding £200,000 is not covered as part of the Internal Audit.*

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

External audit report

*2021 Annual Return, Section One Published – Yes*

*2021 Annual Return, Section Two Published – Yes*

*2021 Annual Return, Section Three 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

**Budgetary controls**  
supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £173,839 (2021-2022) Date: 4/2/2021 (Ref: FC21/023)  
Precept: £177,315.78 (2022-2023) Date: 3/2/2022 (Ref: FC22/008.1)

*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 a selection of income received and banked cross referenced with the Cash Book and bank statements. Receipts are issued for cash/cheque income.*

**Petty Cash**

Associated books and established system in place

*A satisfactory petty cash system is in place with supporting paperwork. A sample of receipts were examined from April 2021 to March 2022 and cross referenced with vouchers and the cash book. Regular reconciliations are undertaken.*

**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: [083/CH313](#)

*The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. All supporting paperwork is in place and a P60s are produced as part of the year end process in April. The Council have joined the LGPS.*

*It is noted that the salary award back pay has been paid in March 2022 which has inflated the salary figure for the month.*

**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/insurance value. The total value of assets are recorded at £270,345.46. The figure in the asset register corresponds 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.*

*Bank Balances at 31 March were confirmed as:*

<i>Unity Trust Deposit</i>	<i>xxxx6137</i>	<i>£85,001.56</i>
<i>Yorkshire BS</i>	<i>xxxx3207</i>	<i>£86,876.79</i>
<i>Nationwide Saver</i>	<i>xxxx2710</i>	<i>Account closed 23/3/2022</i>
<i>Unity Trust Current</i>	<i>xxxx5378</i>	<i>£101,913.68</i>
<i>Petty Cash</i>		<i>£178.10</i>

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

*The Council have general reserves (£36,327.00) and have identified earmarked reserves (£143,000.00) in their year end accounts.*

**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 are prepared on an Income & Expenditure basis. Creditors and Debtors are identified within the year end accounts.*

**Sole Trustee** The Council has met its responsibilities as a trustee

*The Council is not a sole trustee.*

**Internal Audit Procedures**

*The 2021 Internal Audit report was considered by the Council at a meeting held on 6/5/2021 (Ref: FC21/072).*

**External Audit**

*The Council formally approved the 2021 AGAR at a meeting of the full Council held on 6/5/2021 (Ref: FC21/072).*

*The External Auditor's report was considered at a meeting held on 2/9/2021 (Ref: FC21/114).*

*There were no matters arising from the External Audit.*

### **Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 6/5/2021. 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 her assistance during the course of the audit work



**Heather Heelis**  
**Heelis & Lodge**  
14 April 2022