

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Ingatestone and Fryerning Parish Council – 2023/2024

The following Internal Audit was carried out on the adequacy of systems of control in accordance with the requirements of the Audit and Accounts Regulations 2015 and the guidance and instruction in the Practitioners Guide 2023. The following recommendations/comments have been made:

Income: £302,294.34 Expenditure: £249,616.47 Reserves: £241,921.51

AGAR Completion:

Section One: **No**

Section Two: **Yes – draft figures**

Annual Internal Audit Report 2023/2024: **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. VAT payments are tracked and identified within the year end accounts. The Council have the Power of General Competence and therefore LGAs137 is not used.

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: **18/5/2023 (Ref: FC23/069.1)**
Financial Regulations in place: **Yes**
Reviewed: **18/5/2023 (Ref: FC23/069.2)**

VAT reclaimed during the year: **Yes** Registered: **Yes (Ref: 103 5615 09)**

Period:	Submitted:	Amount to pay/reclaim:
01/01/2023 – 31/03/2024	10/04/2024	£6,922.08
01/10/2022 – 31/12/2023	10/01/2024	£4,370.60
01/07/2022 – 30/09/2023	04/10/2023	£3,242.43
01/04/2022 – 30/06/2023	12/07/2023	£4,768.53

General Power of Competence: **Yes** Adopted: 18/5/2023 (Ref: FC23/063)

There was no evidence of any tenders during the year that exceeded the £30,000 Public Contract Regulations threshold.

The Council reviewed and approved the following documents:

11/4/2024 (Ref: FC24/048)

- *Reserve and Investment policies*
- *Data Protection, Privacy Notice and Document Retention policies*
- *Complaints policy*
- *Risk Assessments policy and assessments*
- *Terms of Reference for committees and working groups*

18/5/2023 (Ref: FC23/069)

- *Freedom of Information policies*
- *Equality and Diversity policy*
- *Terms of Reference for the Economic Development Working Group*

13/4/2023 (Ref: FC23/052)

- *Reserves and Investment policies*
- *Data Protection, Privacy Notice and Document Retention policies*
- *Complaints policy*
- *Risk Assessments*
- *Committee and Working Groups Terms of Reference*

The Council have a robust grant giving procedure in place supported by a detailed policy and application form which ensures a fair and clear process. Grants are considered by the Legal and Finance Committee on an ongoing basis, with a maximum grant limit of £750 per application. Applications are supported by financial information from organisations. In 2023-2024 the Council has supported a wide range of local organisations.

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.

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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 with a review held on 18/5/2023 (Ref: FC23/071). The Risk Assessment, including Internal Controls, was reviewed at a meeting held on 13/4/2023 (Ref: FC23/052), 11/4/2024 (Ref: FC24/048) and 26/2/2024 (Ref: LF24/023).

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. Separate internal checks are undertaken by councillors and reported back to the Legal and Finance Committee.

Fidelity Cover: £250,000

The level of Fidelity cover is below the recommended guidelines of year end balances plus 50% of the precept. The calculation for 2024-2025 is year end balance (£241,921) + 50% of the precept (£98,624) = £340,545.

Recommendation: *To review the level of Fidelity cover.*

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** councils must publish on their website:

External audit report

2023 Annual Return, Section One Published – Yes

2023 Annual Return, Section Two Published – Yes

2023 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

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Period of Exercise of Public Rights

Publish Date: 1/6/2023 Start Date: 5/6/2023 End Date: 14/7/2023

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** council are required to display AGARs for the five years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 on their website.

The Council have met the publication requirements.

Budgetary controls
supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £191,503 (2023-2024) Date: 23/1/2023 (Ref: FC23/017.3)
Precept: £197,249 (2024-2025) Date: 11/1/2024 (Ref: FC24/009.2)

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 through consideration of the Budget Tracker which is presented to each meeting.

Income controls

Precept and other income, including credit control mechanisms

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

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 April 2023 to March 2024 and cross referenced with vouchers and the cash book.

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
P60s issued: Yes

The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. Supporting paperwork is in place and P60s have been produced as part of the year end process. Eligible employees have joined the nominated pension scheme (LGPS).

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It is noted that the Council undertook a review of salaries at a meeting held on 9/11/2023 (Ref: FC23/135) where the National Pay Award was noted and on 13/4/2023 (Ref: FC23/050.5) where it was resolved to ratify pay the pay recommendations following a recent job evaluation study.

Asset control

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

A separate asset register is in place. A review was undertaken on 8/6/2023 (Ref: FC23/083.2). Values are recorded at cost value/insurance value. The total value of assets are recorded at £279,250. 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>£79,583.82</i>
<i>Cambridge BS</i>	<i>xxxx3207</i>	<i>£86,199.08</i>
<i>Unity Trust Current</i>	<i>xxxx5378</i>	<i>£12,676.58</i>
<i>Redwood Savings</i>	<i>xxxx1311</i>	<i>£52,298.93</i>
<i>Petty Cash</i>		<i>£43.61</i>
<i>Cashplus card</i>		<i>£160.22</i>

It is noted that the account with the Yorkshire Building Society was closed on 5/5/2023 and the funds of £88,522.72 released by cheque and paid into the Unity current account xxxx5378 on 9/5/2023.

Reserves

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

The Council have adequate general reserves and have identified earmarked reserves of £120,000 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 2023 Internal Audit report was considered by the Council at a meeting held on 18/5/2023 (Ref: FC23/068).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 25/3/2024 (Ref: LF24/035).

External Audit

The Council formally approved the 2023 AGAR at a meeting of the full Council held on 18/5/2023 (Ref: FC23/068).

The External Auditor's report was considered at a meeting held on 14/9/2023 (Ref: FC23/112).

There were no matters of significance arising from the External Audit.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 18/5/2023. 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 and the quality of documentation presented for the audit.



Heather Heelis
Heelis & Lodge
16 May 2024

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INVOICE

To:

Ingatestone & Fryerning Parish Council
4 The Limes
Ingatestone
Essex
CM4 0BE

Invoice No: HL9457
Date: 16 May 2024

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for Ingatestone & Fryerning Parish Council for the year ended 31 March 2024 £200,001 - £300,000 Banding	1	400.00	400.00
Total			400.00

Please make cheques payable to: Heelis & Lodge

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

Terms – 14 days

Thank you.

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