

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Boxted 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: £389,074.17 Expenditure: £391,151.02 EMR: £10,000.00 Gen Reserves: £49,391.46

AGAR 2022 / 2023 Completion:

Section One: [Yes unsigned](#)

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: [8th June 2022 \(Ref: 22/117\)](#)

Financial Regulations in place: [Yes](#)

Reviewed: [8th June 2022 \(Ref: 22/117\)](#)

VAT reclaimed during the year: [Yes](#)

Registered: [No](#)

General Power of Competence: [No](#)

After taking advice from NALC and Colchester Borough Council the council decided to publish the results of their tender process for the Pavilion and HUB refurbishments on the Contract Finders website. (Meetings of 3rd July 2022 - Ref: 22/124 and 13th July 2022 - Ref: 22/136).

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 – ZA090205 Expiry 25/01/2024

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 has 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 8th February 2023 (Ref: 23/31.1). Internal Controls were reviewed at a meeting held on 8th June 2022 (Ref: 22/111.1 & 117).

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 – meetings of 13th July 2022 (Ref: 22/135.2) and 12th October 2022 (Ref: 22/159).

Fidelity Cover: £150,000

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: No

Website: www.boxtedparishcouncil.org.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 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. Please be advised that this should be part of your AGAR publication requirements.

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, but wrong form used.

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: £55,104 (2022 / 2023) Date: 12th January 2022 (Ref: 22/13)

Precept: £60,518 (2023 / 2024) Date: 11th January 2023 (Ref: 23/6)

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 council reviewed the sports club hiring fees on 8th February 2023 (Ref: 23/26).

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 - Moneysoft
Employer PAYE Reference: 245/AZ59976
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 joined the LGPS pension scheme.

It is noted that the Council noted the revised pay scales for Clerks at the meeting on 9th November 2022 (Ref: 22/183).

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 £1,161,951. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.

The council reviewed the Asset Register at meeting on 8th February 2023 (Ref: 23/31.2).

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 were confirmed as:

<i>Lloyds Treasurers ****1368</i>	<i>£11,402.64 as at 31st March 2023</i>
<i>Lloyds Treasurers ****5800</i>	<i>£47,960.81 as at 31st March 2023</i>
<i>Caxton Card</i>	<i>£ 28.01 as at 31st March 2023</i>

Reserves

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

The Council have adequate general reserves (£49,391.46) and have identified earmarked reserves (£10,000.00) 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 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

- *Poor's Land (Camping Close) CC Ref 301259 – Accounts for the year ending 31st March 2022 updated on 1st January 2023*
- *Boxted Village Hall CC Ref 301258 – Accounts for the year ending 31st July 2022 updated on 1st January 2023.*

Internal Audit Procedures

The 2022 Internal Audit report was considered by the Council at a meeting held on 8th June 2022 (Ref: 22/111.2).

A review of the effectiveness of the Internal Audit was carried out on 8th June 2022 (Ref: 22/111.5).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 8th June 2022 (Ref: 22/111.5).

External Audit

The Council formally approved the 2022 AGAR at a meeting of the full Council held on 8th June 2022 (Ref: 22/111.1 & 3).

The External Auditor's report was considered at a meeting held on 12th October 2022 (Ref: 22/154).

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

The smaller authority has not correctly stated the 2020/21 figure in Section 2, Box 9. In calculating this figure, the smaller authority has summed all the assets and long-term investment inaccurately. The correct figure for Section 2, Box 9 should be £1,085,994.