

# 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: 8<sup>th</sup> June 2022 (Ref: 22/117)

Financial Regulations in place: Yes

Reviewed: 8<sup>th</sup> 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 3<sup>rd</sup> July 2022 - Ref: 22/124 and 13<sup>th</sup> July 2022 - Ref: 22/136).*

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## 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 8<sup>th</sup> February 2023 (Ref: 23/31.1). Internal Controls were reviewed at a meeting held on 8<sup>th</sup> 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 13<sup>th</sup> July 2022 (Ref: 22/135.2) and 12<sup>th</sup> 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](http://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 13<sup>th</sup> June 2022 End Date 22<sup>nd</sup> July 2022

## **Budgetary controls**

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

Precept: £55,104 (2022 / 2023) Date: 12<sup>th</sup> January 2022 (Ref: 22/13)  
Precept: £60,518 (2023 / 2024) Date: 11<sup>th</sup> 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.*

<b>Income controls</b>	Precept and other income, including credit control mechanisms  <i>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.</i>
<b>Petty Cash</b>	Associated books and established system in place  <i>A satisfactory expenses system is in place with supporting paperwork. No Petty Cash held.</i>
<b>Payroll controls</b>	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  <i>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.</i>
<b>Asset control</b>	Inspection of asset register and checks on existence of assets Cross-checking on insurance cover  <i>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.</i>  <i>The council reviewed the Asset Register at meeting on 8<sup>th</sup> February 2023 (Ref: 23/31.2).</i>
<b>Bank Reconciliation</b>	Regularly completed and cash books reconcile with bank statements  <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>  <i>Reconciled Bank Balances were confirmed as:</i>  <i>Lloyds Treasurers ****1368 £11,402.64 as at 31<sup>st</sup> March 2023</i> <i>Lloyds Treasurers ****5800 £47,960.81 as at 31<sup>st</sup> March 2023</i> <i>Caxton Card £ 28.01 as at 31<sup>st</sup> March 2023</i>

<b>Reserves</b>	General Reserves are reasonable for the activities of the Council Earmarked Reserves are identified  <i>The Council have adequate general reserves (£49,391.46) and have identified earmarked reserves (£10,000.00) in their year-end accounts.</i>
<b>Year-end procedures</b>	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.  <i>End-of-year accounts is prepared on a Receipts &amp; Payments basis.</i>
<b>Sole Trustee</b>	The Council has met its responsibilities as a trustee  <i>The Council is a Trustee of the</i>
	<ul style="list-style-type: none"> <li>• <i>Poor's Land (Camping Close) CC Ref 301259 – Accounts for the year ending 31<sup>st</sup> March 2022 updated on 1<sup>st</sup> January 2023</i></li> <li>• <i>Boxted Village Hall CC Ref 301258 – Accounts for the year ending 31<sup>st</sup> July 2022 updated on 1<sup>st</sup> January 2023.</i></li> </ul>
<b>Internal Audit Procedures</b>	 <i>The 2022 Internal Audit report was considered by the Council at a meeting held on 8<sup>th</sup> June 2022 (Ref: 22/111.2).</i>  <i>A review of the effectiveness of the Internal Audit was carried out on 8<sup>th</sup> June 2022 (Ref: 22/111.5).</i>  <i>Heelis &amp; Lodge were appointed as Internal Auditor at a meeting held on 8<sup>th</sup> June 2022 (Ref: 22/111.5).</i>
<b>External Audit</b>	 <i>The Council formally approved the 2022 AGAR at a meeting of the full Council held on 8<sup>th</sup> June 2022 (Ref: 22/111.1 &amp; 3).</i>  <i>The External Auditor's report was considered at a meeting held on 12<sup>th</sup> October 2022 (Ref: 22/154).</i>  <i>The following matters were brought to the attention of the Council:</i>  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.