

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Aldworth 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: £13297.96 Expenditure: £12,947.61 Earmarked Reserves: £7,839.38

General Reserves £513.13

AGAR 2022 / 2023 Completion:

Section One: **Yes unsigned**

Section Two: **Yes signed by RFO**

Annual Internal Audit Report 2022 / 23: **Yes**

Certificate of Exemption: **Yes unsigned**

**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: **11<sup>th</sup> May 2022 (Ref: 011/22)**  
Financial Regulations in place: **Yes**  
Reviewed: **11<sup>th</sup> May 2022 (Ref: 12/22)**

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 – ZB020004 Expiry 17/03/2024

### **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 have 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 15<sup>th</sup> March 2023 (Ref: 124/23). Internal Controls were reviewed at a meeting held on 11<sup>th</sup> May 2022 (Ref: 011/22)*

*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 as per meeting on 15<sup>th</sup> March 2023 (Ref: 122/23).*

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: **Yes**

Website: [www.aldworth-pc.gov.uk](http://www.aldworth-pc.gov.uk)

- a) all items of expenditure above £100  
*Published – Yes – contained within the minutes*
- b) annual governance statement (By 1 July)  
*2022 Annual Return, Section One Published – Yes*
- c) end-of-year accounts (By 1 July)  
*2022 Annual Return, Section Two Published – Yes*
- d) internal audit report (By 1 July)  
*2022 Annual Return, Section Four Published – Yes*
- e) list of councillor or member responsibilities  
*Published – Yes*
- f) the details of public land and building assets (By 1 July)  
*Published – Yes*
- g) minutes, agendas and meeting papers of formal meetings  
*Published – Yes*

*The Council have met the requirements of the Transparency Code for smaller councils.*

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 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. The council has complied with this requirement.

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*

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: £ 8,620 (2022 / 2023) Date: 12<sup>th</sup> January 2022 (Ref: 102/22)

Precept: £13,500 (2023 / 2024) Date: 11<sup>th</sup> January 2023 (Ref: 097/23)

*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.*

**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 – PAYE Tools**

Employer PAYE Reference: 120/GA56980

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 from 1<sup>st</sup> April 2023*

*It is noted that the Council undertook a review of salaries and pension arrangements at a meeting held on 9<sup>th</sup> November 2022 (Ref: 079/22).*

**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 £37,482 The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.*

<b>Bank Reconciliation</b>	<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>Reconciled Bank Balance as at 31<sup>st</sup> March 2023 were confirmed as:</i></p> <table border="0"> <tr> <td style="padding-right: 40px;"><i>Unity Trust Current</i></td> <td><i>£8,352.51</i></td> </tr> </table>	<i>Unity Trust Current</i>	<i>£8,352.51</i>
<i>Unity Trust Current</i>	<i>£8,352.51</i>		
<b>Reserves</b>	<p>General Reserves are reasonable for the activities of the Council Earmarked Reserves are identified</p> <p><i>The Council have general reserves of £513.13 (3.8% of Precept) and has identified earmarked reserves of £7,839.38 in their year-end accounts.</i></p> <p><b><i>Recommendation (1):</i></b> <i>Develop a Reserves Policy for the council.</i></p>		
<b>Year-end procedures</b>	<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 is prepared on a Receipts &amp; Payments basis.</i></p>		
<b>Sole Trustee</b>	<p>The Council has met its responsibilities as a trustee</p> <p><i>The Council is not a sole trustee.</i></p>		
<b>Internal Audit Procedures</b>	<p><i>The 2022 Internal Audit report was considered by the Council at a meeting held on 11<sup>th</sup> May 2022 (Ref:009/22a)</i></p> <p><i>A review of the effectiveness of the Internal Audit was carried out on 3<sup>d</sup> October 2022 (Ref: 067/22)</i></p> <p><i>Heelis &amp; Lodge were appointed as Internal Auditor at a meeting held on 3<sup>d</sup> October 2022 (Ref: 067/22)</i></p>		
<b>External Audit</b>	<p><i>The Council formally approved the 2022 AGAR at a meeting of the full Council held on 11<sup>th</sup> May 2022 (Ref: 009/22)</i></p> <p><i>The Council declared themselves Exempt from External audit for the 2021-2022 financial year.</i></p>		

### **Additional Comments/Recommendations**

- The Annual Parish meeting was held on 11<sup>th</sup> May 2022. 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 the quality of documentation presented in the Audit File.

*Dave Crimmin*

**Dave Crimmin PSLCC**

**Heelis & Lodge**

18<sup>th</sup> April 2023

# HEELIS&LODGE

Local Council Services • Internal Audit

[www.heelisandlodge.co.uk](http://www.heelisandlodge.co.uk)

## INVOICE

**To:**

Aldworth Parish Council  
Swimbrels  
Newbury Hill  
Hampstead Norreys  
Berkshire  
RG18 0TR

Invoice No: HLD2205

Date: 18<sup>th</sup> April 2023

Details	Quantity	Amount (£)	Total (£)
To carry out Year-end Internal Audit for Aldworth Parish Council for the year ended 31 March 2023.	1	130.00	130.00
Pick-up and return courier service	2	10.00	20.00
Total			150.00

Please make cheques payable to: Heelis & Lodge

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

Terms – 30 days

Thank you.

**HEELIS&LODGE**

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

Tel: 07732 681125

Email: [heather@heelis.eu](mailto:heather@heelis.eu)

Heather Heelis Dip HE Local Policy PILCM

Lynne Lodge Dip HE Local Policy