

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Wickham Market 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: £117,142.97 Expenditure: £114,010.69 Reserves: £105,559.14

AGAR Completion:

Section One: **Yes** – signed 24/4/2023 (Ref: 7.5)

Section Two: **Yes** – signed 24/4/2023 (Ref: 7.5)

The Council will need to evidence in the 2023 AGAR that Section One was approved prior to Section Two. This is usually done by the minute reference. It is suggested in future that Section One – Annual Governance Statement and Section Two – Accounting Statements, each have their own agenda item, as per the approval of the 2022 AGAR.

Annual Internal Audit Report 2022/2023: **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 hold the General Power of Competence and LGAs137 does not apply.

The cashbook is referenced providing a clear audit trail. Supporting paperwork is in place and well referenced. It is noted that the Council use online banking.

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: 16/5/2022 (Ref: 20.2)

Financial Regulations in place: **Yes**

Reviewed: 16/5/2022 (Ref: 20.3)

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VAT reclaimed during the year: Yes (£1,988.07) Registered: No

General Power of Competence: Yes (Ref: 9.2)

There were no tenders during the year that exceeded the £25,000 Public Contract Regulations threshold.

Terms of Reference are in place for committees and were reviewed and approved at a meeting held on 16/5/2022 (Ref: 15).

The new Code of Conduct was adopted at a meeting held on 16/5/2022 (Ref: 20.1).

The Complaints Procedure was reviewed on 16/5/2022 (Ref: 20.4).

In addition, the following policies were also reviewed on 16/5/2022:

- *FOI Publication Scheme*
- *Privacy Notice*
- *Model Publication Scheme*
- *Press and Media Policy*
- *Equality*
- *Working from Home*
- *Expenses*

The following policies were reviewed at a meeting held on 18/7/2022:

- *Data Protection*
- *Safeguarding*
- *Working with Volunteers*

The following policies were reviewed following feedback from the Police and Crime Commissioners (Ref: 21/11/2022 – item 15):

- *Equality, Diversity and Inclusion*
- *Safeguarding*
- *Safeguarding Procedures*

The Council have a comprehensive suite of documents in place.

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: ZA236912)

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 Internal Control Statement.

Privacy Policy published: *Yes*

Insurance was in place for the year of audit and a review undertaken on 16/5/2022 (Ref: 23). The Risk Assessment was reviewed at a meeting held on 20/3/2023 (Ref: 14.1). Internal Controls were reviewed on 16/5/2022 (Ref: 14.5) and 20/3/2023 (Ref: 14.2).

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.

Fidelity Cover: £250,000

The level of Fidelity cover has been increased and 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: <http://www.wickhammarket.onesuffolk.net/>

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

2022 Annual Return, Section One Published – Yes

2022 Annual Return, Section Two Published – Yes

2022 Annual Return, Section Three Published – Yes – Interim Report

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 [1/7/2022](#)

End Date [11/8/2022](#)

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** council are 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 have not met the publication requirements.

Recommendation: *The Council should publish AGARs for the past 5 years to meet the requirements of Box L on the Internal Audit section of the AGAR.*

Budgetary controls
supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £75,456 (2023-2024)

Date: 16/1/2023 (Ref: 11.1)

Precept: £75,118 (2022-2023)

Date: 17/1/2022 (Ref: 20)

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 income received and banked cross referenced with the Cash Book and bank statements.

Cemetery fees were reviewed and increased at a meeting held on 20/3/2023 (Ref: 21).

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](#)

Employer's Reference: [120/UA59633](#)

P60s issued: [Yes](#)

The Council continue to operate RTI in accordance with HMRC regulations. Supporting paperwork is in place and a P60 has been produced as part of the year end process.

It is noted that the Council undertook a review of salaries at a meeting held on 20/3/2023 (Ref: 30).

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 16/5/2022 (Ref: 20.5). Values are recorded at cost value/insurance value. The total value of assets are recorded at £784,844.89. 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>Barclays Community</i>	<i>xxxx6664</i>	<i>£4,503.68</i>
<i>Barclays BP</i>	<i>xxxx1282</i>	<i>£101,055.46</i>

Reserves

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

The Council have adequate general reserves (£38,000) and have identified earmarked reserves (£67,559) 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 a Receipts & Payments basis.

Sole Trustee

The Council has met its responsibilities as a trustee

The Council is not a sole trustee.

Internal Audit Procedures

The 2022 Internal Audit report was considered by the Council at a meeting held on 21/11/2022 (Ref: 14). It is noted that the Council have addressed the recommendations made in the report and an action plan is in place.

A review of the effectiveness of the Internal Audit was carried out on 16/5/2022 (Ref: 14.4).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 20/3/2023 (Ref: 14.3).

External Audit

The Council formally approved the 2022 AGAR at a meeting of the full Council held on 16/5/2022 (Ref: 14.6 & 7).

Due to ongoing investigations the External Auditor's report had not been received by the last full Council meeting of the financial year and could therefore not be considered. An Interim report was issued on 27/9/2022 and has been published on the Council's website.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 16/5/2022. 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 their assistance during the course of the audit work and the quality of documentation presented for the audit.



Heather Heelis
Heelis & Lodge
10 June 2023

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Wickham Market Parish Council

Invoice No: HL9365
Date: 10 June 2023

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for Wickham Market Parish Council for the year ended 31 March 2023 £50,001 - £100,000 Banding	1	260.00	260.00
Total			260.00

Please make cheques payable to: Heelis & Lodge

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

Terms – 14 days

Thank you.

HEELIS&LODGE

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