

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Little Waltham Parish Council – 2021/2022

The following Internal Audit was carried out on the adequacy of systems of control. The following recommendations/comments have been made:

Income: £58,525.23 Expenditure: £49,108.65 Reserves: £63,957.99

AGAR Completion:

Section One: Yes - unsigned

Section Two: Yes - unsigned

Annual Internal Audit Report 2021/2022: Yes

Certificate of Exemption: No

Proper book-keeping Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

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.

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: 4/5/2021 (Ref: 21/83)

Financial Regulations in place: Yes

Reviewed: 4/5/2021 (Ref: 21/83)

VAT reclaimed during the year: Yes (£1,377.76) Registered: No

General Power of Competence: Yes

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

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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

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. A Data Audit was undertaken at a meeting held on 3/2/2021 (Ref: 22/31.3).

Privacy Policy published: Yes

Insurance was in place for the year of audit. The Risk Assessment, including Internal Controls were reviewed at a meeting held on 3/2/2022 (Ref: 22/31.3).

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.

The annual play area inspection has been undertaken during the year (Ref: 6/7/2021 – item 21/109.3).

Fidelity Cover: £250,000

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.littlewaltham.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** councils must publish on their website:

External audit report

2021 Annual Return, Section One Published – Yes

2021 Annual Return, Section Two Published – Yes

2021 Annual Return, Section Three Published – Yes

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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 **14/6/2021** End Date **23/7/2021**

The Council have met the 2021 publication requirements.

Budgetary controls supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £44,355 (2021-2022) Date: 1/12/2020 (Ref: 20/183.3)
Precept: In budget (2022-2023) Date: 2/12/2021 (Ref: 21/212.5)

Effective budgetary procedures are in place. The 2021-2022 precept and the 2022-2023 precept was agreed in full council, however the precept decision and amount has not 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.

Recommendation: *To minute the precept decision and amount.*

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**
Employer's Reference: **083/XZ86955**
P60s issued: **Yes**

The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. Supporting paperwork is in place. Eligible employees have joined the Local Government pension scheme.

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It is noted that the Council undertook a review of salaries at a meeting held on 2/11/2021 (Ref: 21/187.6). A review of the Clerk's hours was undertaken at a meeting held on 2/12/2021 (Ref: 21/213.4).

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/insurance value. The total value of assets are recorded at £171,055.56. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR. The asset schedule was considered and approved at a meeting held on 3/3/2022 (Ref: 22/47.3).

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>Co-op</i>	<i>xxxx4603</i>	<i>£61,571.67</i>
<i>Co-op 90 Day</i>	<i>xxxx4324</i>	<i>£2,386.32</i>

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 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 2021 Internal Audit report was considered by the Council at a meeting held on 4/5/2021 (Ref: 21/87.4).

A review of the effectiveness of the Internal Audit was carried out on 2/11/2021 (Ref: 21/187.4).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 2/11/2021 (Ref: 21/187.4).

External Audit

The Council formally approved the 2021 AGAR at a meeting of the full Council held on 4/5/2021 (Ref: 21/87.5 and 21/87.6). It is noted that Section 2, Boxes 4 and 6, and the Statement of Variances, were amended at a meeting held on 19/8/2021 (Ref: 21/127).

The External Auditor's report was considered at a meeting held on 7/9/2021 (Ref: 21/141.3).

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

The AGAR was not accurately completed before submission for review. The AGAR had to be sent back for amendment"

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 4/5/2021. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- Minutes are consecutively numbered and compliant with legislation for minutes stored in loose-leaf format.
- 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



**Heather Heelis
Heelis & Lodge**

19 May 2022

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INVOICE

To:

Little Waltham Parish Council
7 Mallard Close
Great Notley
Braintree
Essex
CM77 7YD

Invoice No: HL9254

Date: 19 May 2022

Details	Quantity	Amount (£)	Total (£)
To carry out Year End Audit for Little Waltham Parish Council for the year ended 31 March 2022 £50,001 - £100,000 banding	1	235.00	235.00
Total			235.00

Please make cheques payable to: Heelis & Lodge

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

Terms – 30 days

Thank you.

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