

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Geldeston 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: £12,202.50

Expenditure: £33,668.71

Reserves: £19,625.47

AGAR 2021 / 2022 Completion:

Section One: No

Section Two: Yes electronically not signed

Annual Internal Audit Report 2021 / 22: Yes

Certificate of Exemption: Not applicable

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.

The Council recorded the receipt of an erroneous VAT refund of £31,172.24 from HMRC on 20/10/2021 and the subsequent repayment on 22/11/2021 as a receipt and payment in the cashbook rather than netting of the two entries.

Recommendation (1): Reduce both the Receipts and Payments in the cashbook by £31,172.24

Financial regulations Standing Orders and Financial Regulations and 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: 29th September 2021 (Ref: 6h)
Financial Regulations in place: Yes
Reviewed: 29th September 2021 (Ref: 6h)

VAT reclaimed during the year: Yes 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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Heather Heelis Dip HE Local Policy PILCM
Lynne Lodge Dip HE Local Policy

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 – ZA237555 Expiry 16/03/2023

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. It is advised that, due to the financial risk associated with the new Data Protection Regulations, this should form part of the Council's Risk Assessment.

Recommendation (2): *To include reference to GDPR in the Council's Risk Assessment.*

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 29th September 2021 (Ref: 6h). Internal Controls were also discussed at the meeting of 9th March 2022 (Ref: 5j).

The Council have good internal financial controls in place. invoices are initialled by signatories. The Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.

New play equipment was installed in September 2021 so no annual play area inspection was carried out during the year of Audit.

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 for 2020 / 2021](#)

Website: www.geldestonpc.info

- a) all items of expenditure above £100
Published – Yes
- b) annual governance statement (By 1 July)
2021 Annual Return, Section One Published – Yes
- c) end of year accounts (By 1 July)
2021 Annual Return, Section Two Published – Yes
- d) internal audit report (By 1 July)
2021 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 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 22nd June 2021

End Date 30th July 2021

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

Precept: £7,182.72 (2021 / 2022) Date: 13th January 2021 (Ref: 5c)

Precept: £8,700.00 (2022 / 2023) Date: 12th January 2022 (Ref: 5g)

Good budgetary procedures are in place. The precept was agreed in full council and the precept decision and amount has been 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/FB35552

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 have not joined the LGPS / NEST pension scheme.

It is noted that the Council undertook a review of salaries at a meeting held on *9th March 2022 (Ref: 5m)*.

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 £25,121.43 The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.

Bank Reconciliation	<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 Balances as at 31st March 2022 were confirmed as:</i></p> <table border="0"> <tr> <td><i>Barclays Community</i></td> <td style="text-align: right;"><i>£16,245.45</i></td> </tr> <tr> <td><i>Barclays Premium</i></td> <td style="text-align: right;"><i>£ 3,380.02</i></td> </tr> </table>	<i>Barclays Community</i>	<i>£16,245.45</i>	<i>Barclays Premium</i>	<i>£ 3,380.02</i>
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Reserves	<p>General Reserves are reasonable for the activities of the Council Earmarked Reserves are identified</p> <p><i>The Council have adequate general reserves (£16,245.45) and have identified Earmarked Reserves (£3,380.02) in the year-end accounts.</i></p>				
Year-end procedures	<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 & Payments basis.</i></p>				
Sole Trustee	<p>The Council has met its responsibilities as a trustee</p> <p><i>The Council is not a sole trustee.</i></p>				
Internal Audit Procedures	<p><i>The 2021 Internal Audit report was considered by the Council at a meeting held on 14th July 2021 (Ref: 5g)</i></p> <p><i>A review of the effectiveness of the Internal Audit was carried out on 29th September 2021 (Ref: 6g)</i></p> <p><i>Heelis & Lodge were appointed as Internal Auditor at a meeting held on 29th September 2021 (Ref: 6g)</i></p>				
External Audit	<p><i>The Council formally approved the AGAR at a meeting of the full Council held on 4th May 2021 (Ref: 7l)</i></p> <p><i>The Council declared themselves Exempt from External audit for the 2020-2021 financial year.</i></p>				

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 4th May 2021. 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

25th April 2022

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Geldeston Parish Council
33 Tudor Rose Way
Harleston
IP20 9QH

Invoice No: HLD2116

Date: 25th April 2022

Details	Quantity	Amount (£)	Total (£)
To carry out Year-end Internal Audit for Geldeston Parish Council for the year ended 31 March 2022.	1	195.00	195.00
Return courier service.	1	7.50	7.50
Total			202.50

Please make cheques payable to: Heelis & Lodge

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

Terms – 30 days

Thank you.

HEELIS&LODGE

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