

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Woodham Walter 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: £35,830 Expenditure: £29,614 Reserves: £23,791

AGAR Completion:

Section One: **No**

Section Two: **Yes – to be signed**

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. The Council use online banking and only one cheque (Ref: 101632) was written during the 2022-2023 financial year. It is noted that the Scribe accounting package will be used for the 2023-2024 financial year (approved 13/2/2023 – item 2885.5).

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: **9/5/2022 (Ref: 2728.1)**

Financial Regulations in place: **Yes**

Reviewed: **9/5/2022 (Ref: 2728.1)**

VAT reclaimed during the year: **Yes (£7,543.55 – 31/5/2022)** Registered: **No**

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Heather Heelis Dip HE Local Policy FILCM

Lynne Lodge Dip HE Local Policy

General Power of Competence: Yes
(adopted 3/10/2022 – Ref: 2804.7 and 15/5/2023 - Ref: 2942.2)

There was one tender during the year and financial regulations complied with.

The Council reviewed and approved the Grievance and Disciplinary Policy at a meeting held on 13/2/2023 (Ref: 2886.4).

The Council adopted the new Local Code of Conduct at a meeting held on 11/7/2022 (Ref: 2769).

The Council have a comprehensive suite of policies in place, all of which were reviewed and the annual parish council meeting held on 9/5/2022 (Ref: 2728.1).

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. 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: *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 Financial Risk Assessment, including Internal Controls, was reviewed at a meeting held on 9/5/2022 (Ref: 2728.1).

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 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: <https://woodhamwalter-pc.gov.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 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

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 **15/6/2022**

End Date **26/7/2022**

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 met the publication requirements.

Budgetary controls supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £28,665 (2023-2024)

Date: 9/1/2023 (Ref: 2865.4)

Precept: £26,000 (2022-2023)

Date: 10/1/2022 (Ref: 2653.4)

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	<p>Precept and other income, including credit control mechanisms</p> <p><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></p>						
Petty Cash	<p>Associated books and established system in place</p> <p><i>A satisfactory expenses system is in place with supporting paperwork. No Petty Cash held.</i></p>						
Payroll controls	<p>PAYE and NIC in place where necessary. Compliance with Inland Revenue procedures Records relating to contracts of employment</p> <p>PAYE System in place: Yes Employer's Reference: 120/VA56289 P60s issued: Yes</p> <p><i>The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. All supporting paperwork is in place and a P60 has been produced as part of the year end process. Eligible employees have joined the nominated pension scheme.</i></p> <p><i>A staff appraisal system is in place.</i></p> <p><i>It is noted that the Council undertook a review of salaries at a meeting held on 14/11/2022 (Ref: 2825.4) and 3/10/2022 (Ref: 2804.6).</i></p>						
Asset control	<p>Inspection of asset register and checks on existence of assets Cross checking on insurance cover</p> <p><i>A separate asset register is in place. A review took place at a meeting held on 12/12/2022 (Ref: 2845.7). Values are recorded at cost value. The total value of assets are recorded at £84,162. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.</i></p>						
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>Bank Balances at 30 March were confirmed as:</i></p> <table border="0" style="margin-left: 40px;"> <tr> <td style="padding-right: 20px;"><i>Barclays Business Reserve</i></td> <td style="padding-right: 20px;"><i>xxxx2818</i></td> <td style="text-align: right;"><i>£22,255.51</i></td> </tr> <tr> <td><i>Barclays Community</i></td> <td><i>xxxx8876</i></td> <td style="text-align: right;"><i>£1,515.95 + £20</i></td> </tr> </table>	<i>Barclays Business Reserve</i>	<i>xxxx2818</i>	<i>£22,255.51</i>	<i>Barclays Community</i>	<i>xxxx8876</i>	<i>£1,515.95 + £20</i>
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<i>Barclays Community</i>	<i>xxxx8876</i>	<i>£1,515.95 + £20</i>					

Whilst the bank statement 30/3/2023 is annotated with income received on 31/3/2023 it is suggested that the bank statement showing 31 March is provided for the audit.

Reserves

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

The Council have adequate general reserves (£23,791) 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 13/6/2022 (Ref: 2755.5.e).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 13/3/2023 (Ref: 2905.5).

External Audit

The Council formally approved the 2022 AGAR at a meeting of the full Council held on 13/6/2022 (Ref: 2755.5.h).

The External Auditor's report was considered at a meeting held on 3/10/2022 (Ref: 2803.6).

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.

No further action is required.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 9/5/2022. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- I would like to take the opportunity to congratulate the clerk on passing the Certificate in Local Council Administration.
- 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 provided for the audit.



Heather Heelis
Heelis & Lodge
9 June 2023

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Woodham Walter Parish Council
Burnt House
Burnt House Road
Woodham Walter
Maldon
Essex
CM9 6RS

Invoice No: HL9364
Date: 9 June 2023

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for Woodham Walter Parish Council for the year ended 31 March 2023	1	220.00	220.00
Banding £25,001 - £50,000			
Courier	2	15.00	30.00
Total			250.00

Please make cheques payable to: Heelis & Lodge

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

Terms – 14 days

Thank you.

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