

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Barham 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: £70,057 Expenditure: £76,760 Reserves: £51,040

AGAR 2021 / 2022 Completion:

Section One: Not presented.

Section Two: Yes in pencil 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

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: 7th March 2022 (Ref: 7.3d).

Financial Regulations in place: Yes

Reviewed: 7th March 2022 (Ref: 7.3d).

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 – ZA325006 Expiry 18/03/2022

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, including Internal Controls, were reviewed at a meeting held on 7th March 2022 (Ref: 7.3c and e).

The Council have good internal financial controls in place. Cheque stubs and 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.

A blank cheque stub for cheque number 101946 has been countersigned for the Barclays Community account but does not appear in either the cashbook or the bank statements presented in the Audit file.

The annual play area inspection has been undertaken during the year as per payment to Play Safety Ltd dated 23/02/2022.

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: No

Website: www.barham-suffolk.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 13(1a)** councils must publish on their website:

Statement of Accounts, External Audit report and Annual Governance statement.
2021 Annual Return, Section One Published – Yes
2021 Annual Return, Section Two Published – Yes
2021 Annual Return, Section Three 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, although wrong form used.

Period of Exercise of Public Rights

Start Date 14th June 2021

End Date 23rd July 2021

Budgetary controls

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

Precept: £27,300 (2021 / 2022)

Date: 7th December 2020 (Ref: 7.12e)

Precept: £27,300 (2022 / 2023)

Date: 13th December 2021 (Ref: 6.12m).

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 – SALC Payroll Service
Employer PAYE Reference: 120/ZA84506
P60's issued: Yes

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. The Council have joined the NEST pension scheme.

It is noted that the Council undertook a review of salaries at a meeting held on 13th December 2021 (Ref: 6.12e).

The agreement in place with Mid Suffolk District Council for the Community Caretaker Agreement states that "BPC is responsible for recruiting and employing and training the street cleanser". BPC should check with HMRC whether these payments should be part of its PAYE scheme.

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 £49,923. 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.

Reconciled Bank Balances were confirmed as at 31st March 2022:

<i>Barclays Community</i>	<i>£16,386.46</i>
<i>Barclays Savings</i>	<i>£34,654.07</i>

Reserves

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

The Council have adequate general reserves (£34,654) and have identified earmarked reserves (£16,386) 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 is 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 24th May 2021 (Ref: 14.5d).

A review of the effectiveness of the Internal Audit was carried out on 7th March 2022 (Ref: 7.3a).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 7th March 2022 (Ref: 7.3a).

External Audit

The Council formally approved the AGAR at a meeting of the full Council held on 24th May 2021 (Ref: 14.5e)

The External Auditor's report was considered at a meeting held on 5th October 2021 (Ref: 12.10d).

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

Other matters noted "The smaller authority has not provided an adequate explanation for the variance between the prior and current year values in Boxes 4 and 6 of Section 2."

Additional Comments/Recommendations

- The Annual Parish meeting was held on 24th 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 his/her assistance during the course of the audit work



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13th April 2022

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