

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Marlesford 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: £5,175.99    Expenditure: £4,205.36    Reserves: £11,287

### AGAR Completion:

Section One: **No**

Section Two: **Yes – draft figures**

Annual Internal Audit Report 2021/2022: **Yes**

Certificate of Exemption: **Yes**

**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: **19/8/2022 (Ref: 11)**

Financial Regulations in place: **Yes**

Reviewed: **19/8/2022 (Ref: 11)**

VAT reclaimed during the year: **No**    Registered: **No**

General Power of Competence: **No**

*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 (Ref: ZA540955)

### **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 was reviewed at a meeting held on 16/2/2023 (Ref: 6).*

*The Council have good 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: £25,000

*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  
Website: [www.marlesford.suffolk.cloud](http://www.marlesford.suffolk.cloud)

- 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 – The Council do not own land or buildings*
- g) minutes, agendas and meeting papers of formal meetings  
*Published – Yes*

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*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** 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 **20/6/2022** End Date **29/7/2022**

***Recommendation:*** *The incorrect Exercise of Public Rights Notice has been published on the website for the 2022 External Audit. It is recommended that the correct notice is used for the 2023 audit.*

#### **Budgetary controls** supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £5,000 (2023-2024)

Date: 17/11/2022 (Ref: 6.h)

Precept: £4,700 (2022-2023)

Date: 29/11/2021 (Ref: 6.g)

*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  
Employer's Reference: 120/HB82818  
P60s issued: Yes

*The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. 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 17/11/2022 (Ref: 6.d)..*

## Asset control

Inspection of asset register and checks on existence of assets  
Cross checking on insurance cover

*There was no evidence of an asset register provided for the audit, however, there is a minute reference (20/5/2023 – item 6.b) to one seat, a bus shelter and a village sign. The total value of assets are recorded in the 2023 AGAR Section 2, Box 9 at £700.*

## Bank Reconciliation

Regularly completed and cash books reconcile with bank statements

*All were in order. Bank Reconciliations are carried out regularly. The bank statement used to reconcile the end of year accounts is dated 30/3/2023 and transactions are included up to 29/3/2023 and bank reconciliations for all accounts. The bank balance for 31/3/2023, ie the financial year end was not available for the audit and therefore the year end balance could not be verified.*

*Bank Balances at 29 March 2023 were confirmed as:*

<i>Barclays Current</i>	<i>xxxx8130</i>	<i>£10,445.85</i>
<i>Barclays Savings</i>	<i>xxxx5609</i>	<i>£841.48</i>

***Recommendation:*** *It is recommended that the bank balance at 31/3/2023 is used for the year end accounts so any bank interest can be included.*

## 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 minutes. These should also be included in the year end accounts.*

***Recommendation:*** *To include the allocated Earmarked Reserves in the 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 20/5/2022 (Ref: 7.b).*

*There was no evidence in the minutes or in the Risk Assessment that a review of the effectiveness of the Internal Audit was carried out during the year of audit.*

**Recommendation:** *To carry out a review of the effectiveness of the Internal Audit. A template can be provided if required.*

*There was no evidence in the minutes that Heelis & Lodge were appointed as Internal Auditors for the 2023 financial year.*

**Recommendation:** *to formally appoint the Internal Auditor.*

**External Audit**

*The Council formally approved the 2022 AGAR at a meeting of the full Council held on 20/5/2022 (Ref: 7c).*

*The Council declared themselves Exempt from External audit for the 2021-2022 financial year.*

**Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 20/5/2022. 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



**Heather Heelis**  
**Heelis & Lodge**  
16 April 2023

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## INVOICE

**To:**

Marlesford Parish Council
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Invoice No: HL9302
Date: 16 April 2023

Details	Quantity	Amount (£)	Total (£)
To carry year end audit for 2022-2023 Banding up to £5,001	1	85.00	85.00
Total			85.00

Please make cheques payable to: Heelis & Lodge

Terms – 14 days

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

Thank you.

**HEELIS&LODGE**

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