

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Lavenham Parish Council – 2023/2024

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

Income: £228,839 Expenditure: £186,953 Ear Reserves: £148,469 Reserves £159,753

AGAR 2023 / 2024 Completion:

Section One: **Yes – unsigned**

Section Two: **Yes - unsigned**

Annual Internal Audit Report 2023 / 24: **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. 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: **1st June 2023 (Ref: 10b) & 7th March 2024 (Ref: 5).**

Financial Regulations in place: **Yes**

Reviewed: **1st June 2023 (Ref: 10c)**

VAT reclaimed during the year: **Yes**

Registered: **No**

General Power of Competence: **No**

There were no tenders during the year that exceeded the £30,000 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 ZB424319 Expiry 27/10/2024

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 was reviewed at a meeting held on 27th April 2023 (Ref: 10d) and 7th March 2024 (Ref: 9g). Internal Controls were reviewed at a meeting held on 7th March 2024 (Ref: 9e).

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.

The annual play area inspection has been undertaken during the year as per Playquip Invoice 9272 dated 13th February 2024.

Fidelity Cover *The insurance policy does not have Fidelity Cover within its schedule for the year of insurance.*

Recommendation (1): *To ensure that the insurance cover includes Fidelity Cover in line with 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.lavenham.onesuffolk.net

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&b)** councils must publish on their website:

Statement of Accounts, External Audit report and Annual Governance statement.
2023 Annual Return, Section One Published – Yes
2023 Annual Return, Section Two Published – Yes
2023 Annual Return, Section Three Published – Yes

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** a council is required to display AGAR's for the five years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 on their website. The council has complied with this requirement.

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

Published 2nd June 2023 Start Date 5th June 2023 End Date 14th July 2023

Budgetary controls

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

Precept: £110.100 (2023 / 2024) Date: 5th January 2023 (Ref: 11b)
Precept: £119,000 (2024 / 2025) Date: 14th December 2023 (Ref: 13e)

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	<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.</i></p> <p><i>Burial fees were increased by 10% at the meeting on 1st February 2024 (Ref: 11).</i></p>				
Petty Cash	<p>Associated books and established system in place</p> <p><i>A satisfactory expense 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 – Seago & Stopps Payroll Solutions Employer PAYE Reference: 475/KA60482 P60's 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. The Council has joined the NEST pension scheme.</i></p> <p><i>It is noted that the Council did not undertake a review of salaries at a meeting during the year of Audit.</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. Values are recorded at cost value. The total value of assets is recorded at £665,492. 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>Reconciled Bank Balances as at 31st March 2024 were confirmed as:</i></p> <table> <tr> <td><i>Barclays Current</i></td><td><i>£ 7,223.42</i></td></tr> <tr> <td><i>Barclays Premium</i></td><td><i>£377,684.76</i></td></tr> </table>	<i>Barclays Current</i>	<i>£ 7,223.42</i>	<i>Barclays Premium</i>	<i>£377,684.76</i>
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Reserves

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

The Council have adequate general reserves of £159,753 and has identified earmarked reserves of £148,469 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 an Income & Expenditure basis. Creditors and Debtors are identified within the year-end accounts.

Sole Trustee

The Council has met its responsibilities as a trustee

The Council is not a sole trustee.

Internal Audit Procedures

The 2023 Internal Audit report was considered by the Council at a meeting held on 1st June 2023 (Ref: 10e).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 7th March 2024 (Ref: 9f).

External Audit

The Council formally approved the 2023 AGAR at a meeting of the full Council held on 1st June 2023 (Ref: 10e), although no specific minute records the Council approving Section 1 and Section 2 of the AGAR.

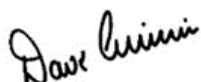
The External Auditor's report was considered at a meeting held on 7th September 2023 (Ref: 8e).

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

The external auditor noted that the response to Assertion 6 should have been "No" as the council had failed to appoint an Internal Auditor for 2022 -23.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 18th May 2023. 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 assistance during the course of the audit work and for the quality of documentation presented in the Audit File.



Dave Crimmin PSLCC

Heelis & Lodge

24th April 2024

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HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Lavenham Parish Council

Invoice No: HLD2314
Date: 24 th April 2024

Details	Quantity	Amount (£)	Total (£)
To carry out Year-end Internal Audit for Lavenham Parish Council for the year ended 31 March 2024.	1	400.00	400.00
Total			400.00

Please make cheques payable to: Heelis & Lodge

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

Terms – 14 days

Thank you.

HEELIS&LODGE

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