

Total receipts 255477  
less ↑ in drs (12719)  
242757

Total payments 155654  
↑ in crds 7062  
162716

Boxes 2.3 AGAR

Boxes 4.56 AGAR

# HEELIS & LODGE

Local Council Services • Internal Audit

## Internal Audit Report for Lavenham 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: £255,476.69

Expenditure: £155,653.87

Reserves: £327,985.88

↓  
cash reserves  
£327,965.35  
typo £20  
bill 53p

### AGAR 2022 / 2023 Completion:

Section One: Not submitted

Section Two: Not submitted

Annual Internal Audit Report 2022 / 23: 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: No record of being reviewed in the year of Audit.

Financial Regulations in place: Yes

Reviewed: No record of being reviewed in the year of Audit.

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.*

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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

### **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: No – The Data Protection Statement on the website outlines how the council collects and uses the personal data of staff. The Privacy Policy should address what personal data the council processes and for what purposes in relation to the public.*

*Insurance was in place for the year of audit.*

*There was no evidence in the minutes that the Risk Assessment, including Internal Controls, has been reviewed during the year of audit.*

**Recommendation (1):** *To ensure the annual review of the Risk Assessment and Internal Controls is carried out during the year of audit.*

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

**Recommendation (2):** *To ensure the insurance policy includes Fidelity Cover in line with the recommended guidelines of year-end balances plus 50% of the precept.*

*The council adopted the Councillors Code of Conduct SALC 2020 at the meeting on 9<sup>th</sup> June 2022 (Ref: 10).*



## 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](http://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.  
*2022 Annual Return, Section One Published – Yes*  
*2022 Annual Return, Section Two Published – Yes*  
*2022 Annual Return, Section Three Published – No*

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** a council is 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 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

Start Date 1<sup>st</sup> July 2022      End Date 11<sup>th</sup> August 2022

## Budgetary controls

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

Precept: £ 87,433 (2022 / 2023) Date: 13<sup>th</sup> January 2022 (Ref: 6)

Precept: £110,100 (2023 / 2024) Date: 5<sup>th</sup> January 2023 (Ref: 11)

*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.*

*Burial fees were reviewed at a meeting on 2<sup>nd</sup> March 2023 (Ref: 10a).*

**Petty Cash**

Associated books and established system in place

*A satisfactory petty cash system is in place with supporting paperwork. A sample of receipts was examined from 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023 and cross-referenced with vouchers and the cash book.*

**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 – Seago & Stopps Payroll Solutions  
Employer PAYE Reference: 475/KA60482  
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 has not joined the LGPS / NEST pension scheme.*

*It is noted that the Council undertook a review of salaries at meetings held on 7<sup>th</sup> April 2022 (Ref: 28c), 14<sup>th</sup> July 2022 (Ref: 15) and 1<sup>st</sup> December 2022 (Ref: 9e).*

**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 £629,931.90 The figure in the asset register corresponds with the figure indicated for Section 2 Box 9 of the AGAR.*

typo  
£629,931.90



**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 as at 31<sup>st</sup> March 2023 were confirmed as:*

<i>Barclays Current</i>	<i>£ 1,971.91</i>
<i>Barclays Premium</i>	<i>£325,883.44</i>
<i>Petty Cash</i>	<i>£ 110.53</i>

*Agreed.*

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

*The Council have adequate general reserves (£143,776.98) and have identified earmarked reserves in their year-end accounts.*

**Recommendation (3):** *The council should adopt a Reserves policy.*

**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.*

**Recommendation (4):** *Council fixed assets should not be depreciated (see Joint Panel on Accountability and Governance - Practitioners Guide March 2022 s 5.64 and 5.65).*

**Sole Trustee** The Council has met its responsibilities as a trustee

*The Council is not a sole trustee.*

**Internal Audit Procedures**

*The Internal Audit was not undertaken for 2021 / 2022.*

**Recommendation (5):** *It is a requirement to have an Internal Audit as part of the AGAR process.*

*Heelis & Lodge were not appointed as Internal Auditor at a meeting held during the year of Audit.*

**Recommendation (6):** *It is a requirement to appoint the Internal Auditor and record the decision in the minutes of the meeting.*

## **External Audit**

*The Council formally approved the 2022 AGAR at a meeting of the full Council held on 23<sup>rd</sup> June 2022 (Ref: 45)*

*The External Auditor's report was considered at a meeting held on 2<sup>nd</sup> March 2023 (Ref: 10d). However the matters arising were not minuted.*

***Recommendation (7):*** *It is a requirement that when the External Auditor's report is reviewed at a meeting the minutes should record the issues raised and any actions to be taken.*

## **Additional Comments/Recommendations**

- The Annual Parish meeting was held on 5<sup>th</sup> May 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 the quality of documentation presented in the Audit File.



**Dave Crimmin PSLCC**  
**Heelis & Lodge**  
5<sup>th</sup> May 2023

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