

# HEELIS&LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Langham 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: £50,776 Expenditure: £106,989 EMR: £8,703 General Reserves: £20,415

### AGAR 2022 / 2023 Completion:

Section One: [Yes signed](#)

Section Two: [Yes signed](#)

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: [5<sup>th</sup> October 2022 \(Ref: 22/513\)](#)

Financial Regulations in place: [Yes](#)

Reviewed: [5<sup>th</sup> October 2022 \(Ref: 22/513\)](#)

VAT reclaimed during the year: [Yes](#)

Registered: [No](#)

General Power of Competence: [No](#)

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Tenders exceeding the £25,000 threshold have been advertised on the Contract Finders website.

Published 29/08/2022 - Recreation Ground play equipment.

## **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 – ZB345787 Expiry 04/07/2023

### **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 2<sup>nd</sup> November 2022 (Ref: 22/534). Internal Controls were reviewed at a meeting held on 2<sup>nd</sup> November 2022 (Ref: 22/534).

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: £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: [www.langhamparish council.co.uk](http://www.langhamparish council.co.uk)

The Council is not subject to the requirements of the Transparency Code for smaller Councils.

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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 – 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 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 on their website. Please be advised that this should be part of your AGAR publication requirements.

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 13<sup>th</sup> June 2022

End Date 22<sup>nd</sup> July 2022

### **Budgetary controls**

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

Precept: Not minuted (2022 / 2023) Date: 5<sup>th</sup> January 2022 (Ref: 21/332.3)

Precept: £22,988 (2023 / 2024) Date: 11<sup>th</sup> January 2023 (Ref: 22/549.3)

[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

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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 – James Todd & Co  
Employer PAYE Reference: 245/NZ80353  
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.

### **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 £284,699. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.

The Asset Register was approved by councillors on 5<sup>th</sup> October 2022 (Ref: 22/513)

### **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:

Barclays Current	£11,046.49
Barclays ****3085	£ 106.56
Barclays ****3468	£14,965.02
Barclays ****3182	£ 0.01

### **Reserves**

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

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The Council have adequate general reserves (£20,415) and have identified earmarked reserves (£8,703) 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 2022 Internal Audit report was considered by the Council at a meeting held on 1<sup>st</sup> June 2022 (Ref: 22/449.2)

A review of the effectiveness of the Internal Audit was carried out on 1<sup>st</sup> June 2022 (Ref: 22/449.2)

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 1<sup>st</sup> June 2022 (Ref: 22/449.2)

**External Audit**

The Council formally approved the 2022 AGAR at a meeting of the full Council held on 1<sup>st</sup> June 2022 (Ref: 22/449.2)

The External Auditor's report was considered at a meeting held on 7<sup>th</sup> September 2022 (Ref: 22/500).

There were no matters arising from the External Audit. It should be noted that the External Auditor Report and Certificate was headed 2020/2021 although dated by PKF Littlejohn as 31/08/22.

**Additional Comments/Recommendations**

- The Annual Parish meeting was held on the 18<sup>th</sup> May 2022. The Election of Chairman was the first item on the agenda, 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 her assistance during the course of the audit work

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- 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*

**Dave Crimmin PSLCC Heelis & Lodge**

27<sup>th</sup> April 2023

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