

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Wilby 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: £8,711.35    Expenditure: £6,580.76    Reserves: £16,578.79

### AGAR Completion:

Section One: **Yes – signed (11/5/2023)**

Section Two: **Yes – signed (11/5/2023)**

Annual Internal Audit Report 2022/2023: **Yes**

Certificate of Exemption: **Yes**

*The AGAR has been approved and signed, however, some of the boxes in both Sections One and Two have not been completed.*

***Recommendation:*** *Complete the empty boxes prior to publication.*

**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: **10/11/2023 (Ref: 105/22)**

Financial Regulations in place:    **Yes**

Reviewed: **10/11/2023 (Ref: 105/22)**

VAT reclaimed during the year: **Yes (2021-2022 £53.17)**

Registered: **No**

General Power of Competence: **No**

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*There were no tenders during the year that exceeded the £25,000 Public Contract Regulations threshold.*

*The Council reviewed and approved the following policies at a meeting held on 23/3/2023 (Ref: 139.23):*

- *Publication Scheme*
- *Record Management Policy*
- *GDPR Risk Management Policy*

*The Council adopted the new Code of Conduct on 4/5/2022 (Ref: 42.22).*

## **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 – Z2996399

### **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 Internal Controls.*

Privacy Policy published: Yes

*Insurance was in place for the year of audit. The Risk Assessment was reviewed at a meeting held on 23/3/2023 (Ref: 139.23). Internal Controls were due for review on 23/3/2023 but were deferred (Ref: 139.23.G).*

*The Council have satisfactory 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: <https://wilby.suffolk.cloud/>

- a) all items of expenditure above £100  
*Published – Yes – contained within the minutes*
- b) annual governance statement (By 1 July)  
*2022 Annual Return, Section One Published – Yes*
- c) end of year accounts (By 1 July)  
*2022 Annual Return, Section Two Published – Yes*
- d) internal audit report (By 1 July)  
*2022 Annual Return, IA Section Published – Yes*
- e) list of councillor or member responsibilities  
*Published – Yes*
- f) the details of public land and building assets (By 1 July)  
*Published – Yes*
- g) minutes, agendas and meeting papers of formal meetings  
*Published – Yes*

*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 **9/8/2022**

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** council are 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 have met the publication requirements.*

### **Budgetary controls** supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £5,690 (2023-2024)

Date: 30/1/2023 (Ref: 126/23)

Precept: £5,954 (2022-2023)

Date: 5/1/2022 (Ref: 14.22)

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*Budgetary procedures are in place. The precept was due to be agreed in full council at a meeting held on 12/1/2023 (Ref: 116/23.vi), however the decision was deferred. The precept was resolved in an extraordinary meeting held on 30/1/2023. 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: **531/JA44868**

*The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. Supporting paperwork is in place.*

*It is noted that the Council undertook a review of salaries at a meeting held on 4/5/2022 (Ref: 51.22).*

#### **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/insurance value. The total value of assets are recorded at £7,677. The figure in the asset register could not be confirmed with the figure in Section 2, Box 9 of the AGAR because Box 9 had not been completed.*

**Recommendation:** *To date the Asset Registers presented in the files for audit. The above figure was taken from the Asset Register found on the website.*

#### **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.*

*Bank Balances at 31 March were confirmed as:*

<i>Lloyds Current</i>	<i>xxxx5260</i>	<i>£17,108.92</i>	<i>Opened 15/7/2022</i>
<i>HSBC Current</i>	<i>xxxx5317</i>	<i>£0.00</i>	<i>Closed 15/7/2022</i>
<i>HSBC BMM</i>	<i>xxxx5325</i>	<i>£0.16</i>	<i>Statement date 14/12/2023</i>

**Reserves**

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

*The Council have adequate general reserves (£16,578.79).*

**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 6/7/2022 (Ref: 66.30).*

*Heelis & Lodge were appointed as Internal Auditor at a meeting held on 23/3/2023 (Ref: 139.23).*

**External Audit**

*The Council formally approved the 2022 AGAR at a meeting of the full Council held on 4/5/2022 (Ref: 52.22 & 53.22).*

*The Council declared themselves Exempt from External audit for the 2021-2022 financial year (Ref: 4/5/2022 – item 54.22).*

### **Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 4/5/2022. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- It is noted that the minute book presented for the audit is missing minutes of the Extraordinary meeting held on 30/1/2023 and the Annual Parish Council meeting held on 4/5/2022. Both sets of minutes were found online. **Recommendation:** The Council should ensure that it has a full set of minutes, signed and dated, on file.
- 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**  
10 June 2023

# HEELIS&LODGE

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[www.heelisandlodge.co.uk](http://www.heelisandlodge.co.uk)

## INVOICE

**To:**

Wilby Parish Council
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Invoice No: HL9367
Date: 10 June 2023

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for Wilby Parish Council for the year ended 31 March 2023 £5,001 - £15,000 Banding	1	130.00	130.00
Total			130.00

Please make cheques payable to: Heelis & Lodge

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

Terms – 14 days

Thank you.

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