

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Boxford Parish Council – 2023/2024

The following Internal Audit was carried out on the adequacy of systems of control in accordance with the requirements of the Audit and Accounts Regulations 2015 and the guidance and instruction in the Practitioners Guide 2023. The following recommendations/comments have been made:

Income: £12,897.68 Expenditure: £15,552.38 Reserves: £7,520.52

AGAR Completion:

Section One: **Yes - unsigned**

Section Two: **Yes - unsigned**

Annual Internal Audit Report 2023/2024: **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.

Recommendation: *The Council should identify the power used to donations in the minutes eg LGAs137 to purchase a poppy wreath.*

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: **15/5/2023 (Ref: 4)**

Financial Regulations in place: **Yes**

Reviewed: **15/5/2023 (Ref: 4)**

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

General Power of Competence: **No**

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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: No

Data Protection registration: No

Privacy Policy published: *No*

Recommendation: *The Council, as part of GDPR compliance, adopt and publish a Privacy Policy/Notice.*

Insurance was in place for the year of audit with a review being undertaken on 20/11/2023 (Ref: 9.b). There was no evidence of the Risk Assessment or Internal Controls being reviewed during the year of audit. A General Risk Assessment is published on the website, however, this document relates to 2020-2021 and is dated 2/3/2021.

The Internal Auditor has drawn the Council's attention to a number of out of date documents on the website and recommends that these be updated. This report supports that recommendation.

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.

Recommendation: *The Council should compile a Risk Assessment that covers the financial risks to the Council. The Risk Assessment should be reviewed annually within the year of audit. If a review has not been undertaken within the year of audit the Council should tick 'No' in Section 1, Assertion 5.*

Fidelity Cover: unconfirmed

The Council should review the level of Fidelity cover to confirm that it 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: <http://boxford.org.uk/>

a) all items of expenditure above £100
Published – Yes – contained within the minutes

- b) annual governance statement (By 1 July)
2023 Annual Return, Section One Published – Yes
- c) end of year accounts (By 1 July)
2023 Annual Return, Section Two Published – Yes
- d) internal audit report (By 1 July)
2023 Annual Return, Section Four Published – Yes
- e) list of councillor or member responsibilities
Published – Yes – contained with the minutes. It is suggested that a list of Councillors and their responsibilities is published on the website under a new 'Transparency Code' page.
- f) the details of public land and building assets (By 1 July)
Published – No. The Council have listed no land in their ownership in their asset register, yet they have purchased swings, a kissing gate and referred to a playground.

Recommendation: *That the Council clarify if it is the owner of any land in the asset register. If so, this should be published on the Council's website.*

- 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

Publish Date: n/k Start Date: 3/7/2023 End Date: 11/8/2023

It is noted that whilst the Council advertised the inspection period, the incorrect form was used. The form used was the form Councils over £25,000 use to notify the External Auditor of their inspection period.

Recommendation: *The Council should use the correct form for the 2023-2024 Notice of Exercise of Public Rights.*

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** council are required to display AGARs for the five years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 on their website.

The Council have met the publication requirements. It is suggested that the Parish Council set up a separate page on their website for information relating to the Transparency Code to make it more user friendly.

Budgetary controls
supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £9,578 (2023-2024) Date: 9/1/2023
Precept: £10,100 (2024-2025) Date: 22/1/2024 (Ref: 9.c)

Satisfactory 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 a sample of 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: **475/ZB58419**
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 20/11/2023 (Ref: 9.c) to note the NJC National Salary Award for 2023-2024.

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 are recorded at £26,808.36. 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>Bank Balances at 31 March were confirmed as:</i></p> <p><i>Unity Trust Current xxxx0371 £7,520.52</i></p>
Reserves	<p>General Reserves are reasonable for the activities of the Council Earmarked Reserves are identified</p> <p><i>The Council have adequate general reserves of £7,520.52 and have no identified earmarked reserves in their year end accounts.</i></p>
Year-end procedures	<p>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.</p> <p><i>End of year accounts are prepared on a Receipts & Payments basis.</i></p>
Sole Trustee	<p>The Council has met its responsibilities as a trustee</p> <p><i>The Council is not a sole trustee.</i></p>
Internal Audit Procedures	<p><i>The 2023 Internal Audit report was considered by the Council at a meeting held on 6/6/2023 (Ref: 2).</i></p> <p><i>An Internal Audit Plan is in place.</i></p> <p><i>Heelis & Lodge were appointed as Internal Auditor at a meeting held on (Ref:).</i></p>
External Audit	<p><i>The Council formally approved the 2023 AGAR at a meeting of the full Council held on 6/6/2023 (Ref: 3.1 and 3.2).</i></p> <p><i>The Council declared themselves exempt for the 2023-2024 financial year.</i></p>

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 15/5/2023. 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 her assistance during the course of the audit work and the quality of documentation provided for the audit.



Heather Heelis
Heelis & Lodge
1 June 2024

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Boxford Parish Council
Farm Gate
High Street
Chieveley
RG20 8TA

Invoice No: HL9483
Date 1 June 2024

Details	Quantity	Amount (£)	Total (£)
To carry out Year End Internal Audit for Boxford Parish Council for the year ended 31 March 2024	1	130.00	130.00
Courier	1	13.00	13.00
Total			143.00

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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