

# HEELIS & LODGE

## Local Council Services • Internal Audit

### **Internal Audit Report for Ardleigh Parish Council – 2020/2021**

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

Income: £98,663

Expenditure: £84,217

Reserves: £153,668

#### AGAR Completion:

Section One: [Yes not signed.](#)

Section Two: [No](#)

Annual Internal Audit Report 2020/21: [Yes](#)

Certificate of Exemption: [N/A](#)

**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<sup>th</sup> August 2020 \(Ref: 20/238\)](#)  
Financial Regulations in place: [Yes](#)  
Reviewed: [8th March 2021 \(Ref: 21.053\).](#)

VAT reclaimed during the year: [No](#) Registered: [No](#)

General Power of Competence: [No](#)

*There were no tenders during the year that exceeded the £25,000 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 Z2821463 (15/09/2021) and  
ZA537616 (22/07/2021)

### **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 8<sup>th</sup> March 2021 (Ref: 21.053). Internal Controls were reviewed at a meeting held on 8<sup>th</sup> June 2020 (Ref: 20/096.2) and on 8<sup>th</sup> March 2021 (Ref: 21.053).*

*The Council have good internal financial controls in place. Payment schedules are initialled by signatories. 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.*

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.ardleigh.website](http://www.ardleigh.website)

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

Under **The Accounts & Audit Regulations 2015 15(15)** councils must publish on their website:

h) external audit report  
*2019 Annual Return, Section Three Published – Yes*

Under **The Accounts & Audit Regulations 2015 15(2b)** councils must publish on their website:

i) notice of period for the exercise of public rights  
*Published – Yes but the wrong form was used on the website to publicise the period.*

Period of Exercise of Public Rights

Start Date 28<sup>th</sup> August 2020                      End Date 9<sup>th</sup> October 2020

## Budgetary controls

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

Precept: £39,400 (2019-2020)                      Date: 13<sup>th</sup> January 2020 (Ref: 20/011.4)  
Precept: £41,803 (2020-2021)                      Date: 11<sup>th</sup> January 2021 (Ref: 21/016.3)

*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

*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 – PAYE Tools

*The Council continue to operate RTI in accordance with HMRC regulations. All supporting paperwork is in place and a P60 has been produced as part of the year end process. The Council have joined the LGPS pension scheme.*

*It is noted that the Council undertook a review of salaries at a meeting held on 8<sup>th</sup> June 2020 (Ref: 20.099.1) and 15<sup>th</sup> February 2021 (Ref: 21.134.1). At the same meeting (Ref: 20.099.2) it was decided to place the Caretaker on furlough from the 10<sup>th</sup> June 2020. It was agreed at the meeting on the 13<sup>th</sup> July 2020 (Ref: 20.119.1) to appoint a Deputy Clerk.*

**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 are recorded at £187,407. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.*

**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 the 31<sup>st</sup> March 2021 were confirmed as:*

<i>Barclays Current ****3423</i>	<i>£58,443.02</i>
<i>Barclays Rate Reward ****7650</i>	<i>£70,928.20</i>
<i>Barclays Premium ****3474</i>	<i>£24,296.32</i>

**Reserves**

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

*The Council have adequate general reserves (£55,100) and have identified earmarked reserves (£98,600) 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 a Receipts & Payments basis.*

## **Sole Trustee**

The Council has met its responsibilities as a trustee

*The Council is a Trustee of the:*

- *Ardleigh Recreation Ground (Charity Commission Reg: 801290) whose accounts for the year ended 31<sup>st</sup> March 2020 were updated on the 28<sup>th</sup> October 2020.*
- *Ardleigh Village Hall (Charity Commission Reg: 301234) whose accounts for the year ended 31<sup>st</sup> March 2020 were updated on the 28<sup>th</sup> October 2020.*

## **Internal Audit Procedures**

*The 2019 to 2020 Internal Audit report was considered by the Council at a meeting held on 8<sup>th</sup> June 2020 (Ref: 20.096.1)*

*A review of the effectiveness of the Internal Audit was carried out on 8<sup>th</sup> June 2020 (Ref: 20.096.1)*

*Heelis & Lodge were appointed as Internal Auditor at a meeting held on 8<sup>th</sup> June 2020 (Ref: 20.096.5)*

## **External Audit**

*The External Auditor's report was considered at a meeting held on 14<sup>th</sup> December 2020 (Ref: 20.215.1)*

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

The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR.: Section 2, Box 7 for the current year does not agree to Boxes 1+2+3-(4+5+6) and an adequate explanation has not been provided by the smaller authority. The figure in Box 7 should read £138,221.

The smaller authority should ensure that it has regard to the level of reserves held when considering future precept requests.

### **Additional Comments/Recommendations**

- Due to the Coronavirus pandemic, the requirement to hold the Annual Parish meeting was removed until May 2021.
- 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
- I would like to record my appreciation to the Clerk to the Council for the excellent quality of documentation presented in the Audit File.

*Dave Crimmin*

**Dave Crimmin PSLCC**  
**Heelis & Lodge**  
19<sup>th</sup> April 2021

# HEELIS&LODGE

Local Council Services • Internal Audit

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

## INVOICE

**To:**

Ardleigh Parish Council  
Jasmine Lodge  
Frating Road  
Great Bromley  
Colchester CO7 7JN

Invoice No: HLD2002

Date: 19<sup>th</sup> April 2021

Details	Quantity	Amount (£)	Total (£)
To carry out Year-end Internal Audit for Ardleigh Parish Council for the year ended 31 March 2021.	1	235.00	235.00
Return courier fee	1	15.00	15.00
Total			250.00

Please make cheques payable to: Heelis & Lodge

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

Terms – 30 days

Thank you.

**HEELIS&LODGE**

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