

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Holbrook 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: £45,903.40 Expenditure: £43,797.28 Reserves: £71,951.56

AGAR Completion:

Section One: [Yes - unsigned](#)

Section Two: [Yes - unsigned](#)

Annual Internal Audit Report 2023/2024: [Yes](#)

Certificate of Exemption: [No](#)

Proper book-keeping Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

All were found to be in order. The Council hold the General Power of Competence and LGAs137 does not apply. 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: [15/1/2023 \(Ref: 6.01\)](#)
Financial Regulations in place: [Yes](#)
Reviewed: [18/3/2024 \(Ref: 7.02\)](#)

VAT reclaimed during the year: [Yes \(£5,337.78\)](#) Registered: [No](#)

General Power of Competence: [Yes](#) Adopted: [15/5/2023 \(HPC1505/09\)](#)

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

The Council reviewed and adopted the following documents:

17/7/2023 (Ref: HPC1707/06.01)

- *Complaints Procedure*
- *Training & Development Policy*
- *Travel & Expenses Policy*
- *Pre-planning Protocol*

21/8/2023 (Ref: HPC2108/06.01)

- *Information Security Policy*
- *Subject Access Request Policy (SARS)*
- *Volunteer Policy*

18/9/2023 (Ref: HPC1809/06.01)

- *Grant Scheme*
- *Community Engagement*
- *Environmental Policy*

23/10/2023 (Ref: HPC2310/06.01)

- *Health & Safety Policy*
- *Equality Policy*
- *Lone Working Policy*

20/11/2023 (Ref: HPC1011/06.01)

- *Sickness & Absence Policy*
- *Staff Appraisals*
- *Disciplinary Procedure*
- *Grievance Procedure*

18/12/2023 (Ref: HPC1812/06.01)

- *Safeguarding Policy*
- *Tree Policy*
- *Accessibility Statement*

19/2/2024 (Ref: HPC1902/06.01)

- *Public Participation at Meetings Policy*
- *Policy for Communicating with the Media*

18/3/2024 (Ref: HPC1803/07.01)

- *Publication Scheme*
- *Privacy Notice*
- *Freedom of Information Request Policy*

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 (Ref: ZA257900)**

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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 15/1/2024 (Ref: 6.01). Internal Controls were reviewed on 15/5/2023 (Ref: 15.05).

The Council have effective 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: £100,000

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: <https://holbrookparishcouncil.gov.uk/>

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 15** councils must publish on their website:

External audit report

2023 Annual Return, Section One Published – Yes

2023 Annual Return, Section Two Published – Yes

2023 Annual Return, Section Three 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

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Publish Date: [1/6/2023](#) Start Date: [5/6/2023](#) End Date: [14/7/2023](#)

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.

Budgetary controls supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £31,930 (2023-2024) Date: 19/12/2022 (Ref: 7.02)
Precept: £35,123 (2024-2025) Date: 15/1/2024 (Ref: 7.02)

Effective 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: **120/JA56350**
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 24/11/2023 (Ref: 7.04). A contract of employment is in place.

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 £130,598. 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> <table border="0"> <tr> <td><i>Lloyds Current</i></td> <td><i>xxxx2716</i></td> <td><i>£54,292.79</i></td> </tr> <tr> <td><i>Lloyds Deposit</i></td> <td><i>xxxx3662</i></td> <td><i>£3,937.06</i></td> </tr> <tr> <td><i>NS&I</i></td> <td><i>xxxx3743</i></td> <td><i>£13,721.71</i></td> </tr> </table>	<i>Lloyds Current</i>	<i>xxxx2716</i>	<i>£54,292.79</i>	<i>Lloyds Deposit</i>	<i>xxxx3662</i>	<i>£3,937.06</i>	<i>NS&I</i>	<i>xxxx3743</i>	<i>£13,721.71</i>
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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 (£26,973.56) and have identified earmarked reserves of £44,978.00 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 15/5/2023 (Ref: 15.01).</i></p> <p><i>Heelis & Lodge were appointed as Internal Auditor at a meeting held on 23/10/2023 (Ref: 7.03).</i></p>									
External Audit	<p><i>The Council formally approved the 2023 AGAR at a meeting of the full Council held on 15/5/2023 (Ref: HPC1505/15).</i></p> <p><i>The External Auditor's report was considered at a meeting held on 21/8/2023 (Ref: HPC2108/07.03).</i></p> <p><i>There were no matters arising from the External Audit.</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 their assistance during the course of the audit work



Heather Heelis
Heelis & Lodge
6 May 2024

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Holbrook Parish Council

Invoice No: HL9446
Date 6 May 2024

Details	Quantity	Amount (£)	Total (£)
To carry out Year End Internal Audit for Holbrook Parish Council for the year ended 31 March 2024 £25,001 - £50,000 banding	1	220.00	220.00
Total			220.00

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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