HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Ramsden Crays 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: £14,165.01 Expenditure: £7,726.73 Reserves: £21,313.53

AGAR Completion:
Section One: Yes – signed 13/5/2024
Section Two: Yes – signed 13/5/2024
Annual Internal Audit Report 2023/2024: Yes
Certificate of Exemption: Yes – signed 13/5/2024

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: 11/3/2024 (Ref: 32/2024)
Financial Regulations in place: Yes
Reviewed: 11/3/2024 (Ref: 32/2024)

VAT reclaimed during the year: No
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: Yes
Data Protection registration: Yes Ref: Z1609902

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. It is advised that, due to the financial risk associated with the new Data Protection Regulations, this should form part of the Council's Risk Assessment.

Recommendation: *To include reference to GDPR in the Council's Risk Assessment.*

Privacy Policy published: *Yes*
Link: https://www.ramsdencrayspc.org.uk/privacy-gdpr

Insurance was in place for the year of audit. The Risk Assessment, including Internal Controls, was reviewed at a meeting held on 11/3/2024 (Ref: 32/2024).

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: £150,000

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://www.ramsdencrayspc.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 – No
e) list of councillor or member responsibilities
Published – Yes
f) the details of public land and building assets (By 1 July)
Published – No public land or buildings listed in the asset register
g) minutes, agendas and meeting papers of formal meetings
Published – Yes

The Council have yet to meet the requirements of the Transparency Code. Guidance on documents that need to be published can be found on https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388541/Transparency_Code_for_Smaller_Authorities.pdf

Recommendation: *To comply with the requirements of the Transparency Code in accordance with the attached guidance.*

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

Publication Date: 12/6/2023
Start Date: 13/6/2023 End Date: 17/7/2023

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 not met the publication requirements. I was unable to find the following documents:

- *2019-2020 AGAR*
- *2020-2021 AGAR*
- *2023 Internal Audit section of AGAR*
- *2019 AGAR – Exemption Certificate missing*

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

Precept: £14,165 (2023-2024) Date:16/1/2023 (Ref: 7/2023)
Precept: £14,425 (2024-2025) Date: 21/12/2023 (Ref: 24/25)

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 and pensions

PAYE System in place: Yes
Employer's Reference: 120/HE63885
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.

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 £53,440. 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.

Bank Balances at 31 March were confirmed as:

Barclays Community xxxx5390 £21,313.53

Reserves

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

The Council have adequate general reserves £21,313.53 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 not a sole trustee.

Internal Audit Procedures

The 2023 Internal Audit report was considered by the Council at a meeting held on 13/6/2023 (Ref: 68/2023).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 11/3/2023 (Ref: 33/2024).

External Audit

The Council formally approved the 2023 AGAR at a meeting of the full Council held on 9/5/2023 (Ref: 57/2023.e).

The Council declared themselves Exempt from External audit for the 2022-2023 financial year on 9/5/2023 (Ref: 57/2023.e).

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 9/5/2023 (Ref: 57/2023.e). 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 and the quality of documentation provided for the audit.



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9 June 2024

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