HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Chilton Parish Council – 2023/2024

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

Income: £35,995 Expenditure: £13,542 Ear Reserves: £33,089 Reserves: £18,925

AGAR 2023 / 2024 Completion:
Section One: Yes unsigned
Section Two: Yes – unsigned. Box 7 for 31 March 2024 does not equal boxes (1+2+3) – (4+5+6).
Annual Internal Audit Report 2023 / 24: 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. VAT payments are tracked and identified within the year-end accounts.

The cashbook is referenced providing an audit trail. Supporting paperwork is in place and 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: 18th March 2024 (Ref: 24/311)
Financial Regulations in place: Yes
Reviewed: 18th March 2024 (Ref: 24/311)

VAT reclaimed during the year: Yes Registered: No

General Power of Competence: No

There were no tenders during the year that exceeded the £30,000 Public Contract Regulations threshold.

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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 – ZA127567 Expiry 20/10/2024

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 18th March 2024 (Ref: 24/311). Internal Controls were not reviewed at a meeting held during the year of Audit.

Recommendation (1): *To ensure the annual review of the Internal Controls is carried out during the year of audit.*

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: £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: Yes
Website: www.chiltonpcsuffolk.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
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 requirements of the **Accounts and Audit Regulations 2015 13(2b)** a council is required to display AGAR's for the five years 2018-19, 2019-20, 2020-21, 2021-22and 2022-23 on their website. The council has complied with this requirement.

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

Notice of period for the exercise of public rights
Published – Yes, but the wrong form was used.

Period of Exercise of Public Rights

Start Date 12th June 2023 End Date 22nd July 2023

Budgetary controls

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

Precept: £17,170 (2023 / 2024) Date: 16th January 2023 (Ref: 23/107c)
Precept: £???? (2024 / 2025) Date: 15th January 2024 (Ref: 24/108)

Good budgetary procedures are in place. The precept was agreed in full council and the precept decision but not the amount has been minuted for 2024 /2025. 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: No – Clerk is paid on a contractor basis
Employer PAYE Reference: 475/GA56474
P60's issued:

The Clerk and RFO was appointed in September 2021. The minutes during 2023 to 2024 of the Clerk's Contract of Employment contain several references, but none say one has been agreed to and signed. No evidence is supplied in the audit file of the council operating RTI in accordance with HMRC regulations.

***Recommendation (2):** It is a requirement to operate a PAYE scheme.*

Asset control

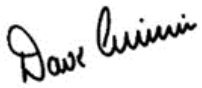
Inspection of asset register and checks on existence of assets
Cross-checking on insurance cover

A separate asset register is in place. Values are recorded at cost value. The total value of assets is recorded at £6,173. 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
	Bank Reconciliations are carried out regularly. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts.
	Reconciled Bank Balance as at 2nd April 2024 was confirmed as:
	*Lloyds Account ****00056501 £52,190.19*
	***Recommendation (3):** The bank balance as at 31st March 2024 should be used for the end-of-year reconciliation.*
Reserves	General Reserves are reasonable for the activities of the Council Earmarked Reserves are identified
	The Council have adequate general reserves of £18,924.93 and have identified earmarked reserves of £33,089.16 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 16th May 2023 (Ref: 23/514a).*
	***Recommendation (4):** The council's response to the Internal Audit recommendations should be contained in the minutes of the meeting.*
	Heelis & Lodge were appointed as Internal Auditor at a meeting held on 16th May 2023 (Ref: 23/59).
External Audit	*The Council formally approved the 2023 AGAR at a meeting of the full Council held on 16th May 2023 (Ref: 23/514c, d & e).*
	The Council declared themselves Exempt from External audit for the 2022-2023 financial year.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 16th May 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



Dave Crimmin PSLCC
Heelis & Lodge
30th April 2024

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Chilton Parish Council
4 Northfield Road
Onehouse
Stowmarket
IP14 3HF

Invoice No: HLD2323

Date: 30th April 2024

Details	Quantity	Amount (£)	Total (£)
To carry out Year-end Internal Audit for Chilton Parish Council for the year ended 31 March 2024.	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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