

# HEELIS&LODGE

## Local Council Services • Internal Audit

### **Internal Audit Report for Kettleburgh Parish Council – 2022/2023**

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

Income: £8,887.74    Expenditure: £10,139.90    Reserves: £5,537.85

#### AGAR Completion:

Section One: **Yes**

Section Two: **Yes**

Annual Internal Audit Report 2022/2023: **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.*

**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: **13/4/2023**

Financial Regulations in place: **Yes**

Reviewed: **13/4/2023**

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

***Recommendation:*** *To reclaim any outstanding VAT.*

General Power of Competence: **No**

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

*The Council adopted the Model Code of Conduct at a meeting held on 9/3/2023.*

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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 (Ref: Z3075314)

### **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, including Internal Controls, was reviewed at a meeting held on 13/4/2023.*

*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.*

*It is noted that the review of the Risk Assessment and Internal Controls was due to be carried out at a meeting held on 23/3/2023, however, the item was deferred and therefore a review was not undertaken during the year of audit.*

**Recommendation:** *To ensure a review of the Risk Assessment, which includes Internal Controls, is undertaken during the year of audit.*

*Bank signatories were reviewed at a meeting held on 5/5/2022.*

Fidelity Cover: £250,000

*The level of Fidelity cover exceeds 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://www.kettleburgh.suffolk.gov.uk/>

- a) all items of expenditure above £100  
*Published – Yes – contained within the minutes*
- b) annual governance statement (By 1 July)  
*2022 Annual Return, Section One Published – Yes*

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- c) end of year accounts (By 1 July)  
*2022 Annual Return, Section Two Published – Yes*
- d) internal audit report (By 1 July)  
*2022 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 (broken weblink)*
- 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](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 – No (broken weblink)*

Period of Exercise of Public Rights (2022)

Start Date *Not available*      End Date *Not available*

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** council are required to display AGAR's for the five years 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 on their website.

*The Council have not met the publication requirements.*

## **Budgetary controls** supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £6,000 (2023-2024) Date: 20/1/2023 (Ref: 11.h))  
Precept: £5,367 (2022-2023) Date: 20/1/2022 (Ref: 14.5)

*Good 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 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/YA56502**  
P60s issued: **Yes**

*The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. All supporting paperwork is in place and a P60 has been produced as part of the year end process. The Council has completed the re-declaration of compliance (Ref: 14/7/2022).*

*It is noted that the Council undertook a review of salaries at a meeting held on 8/12/2022).*

## **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 in Section 2, Box 9 of the AGAR is £12,553. The figure in the asset register shows a figure of £12,953, a difference of £400. It is noted that the website link to the 2023 asset register is broken and the asset register provided for the audit is dated 2022, therefore they may be some changes that reflect the difference.*

***Recommendation:*** *To ensure the total assets figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.*

<b>Bank Reconciliation</b>	<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><tr><td><i>Barclays Community</i></td><td><i>xxxx3513</i></td><td><i>£1,668.15</i></td></tr><tr><td><i>Barclays BP</i></td><td><i>xxxx6735</i></td><td><i>£3,869.70</i></td></tr></table>	<i>Barclays Community</i>	<i>xxxx3513</i>	<i>£1,668.15</i>	<i>Barclays BP</i>	<i>xxxx6735</i>	<i>£3,869.70</i>
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<b>Reserves</b>	<p>General Reserves are reasonable for the activities of the Council</p> <p>Earmarked Reserves are identified</p> <p><i>The Council have adequate general reserves (£5,538). There were no identified earmarked reserves in in the year end accounts.</i></p>						
<b>Year-end procedures</b>	<p>Appropriate accounting procedures are used and can be followed through from working papers to final documents</p> <p>Verifying sample payments and income</p> <p>Checking creditors and debtors where appropriate.</p> <p><i>End of year accounts are prepared on a Receipts &amp; Payments basis.</i></p>						
<b>Sole Trustee</b>	<p>The Council has met its responsibilities as a trustee</p> <p><i>The Council is not a sole trustee.</i></p>						
<b>Internal Audit Procedures</b>	<p><i>The 2022 Internal Audit report was considered by the Council at a meeting held on 8/12/2022.</i></p> <p><i>Heelis &amp; Lodge were appointed as Internal Auditor at a meeting held on 9/3/2023.</i></p>						
<b>External Audit</b>	<p><i>The Council formally approved the 2022 AGAR at a meeting of the full Council held on 5/5/2022.</i></p> <p><i>The Council declared themselves Exempt from External audit for the 2021-2022 financial year.</i></p>						

### **Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 5/5/2022. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- The website has a number of broken links to documents. It is suggested that the Council tests all links, especially on the financial page to make sure they are working prior to the 2024-2024 Internal Audit.
- 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**  
15 April 2023

# HEELIS&LODGE

Local Council Services • Internal Audit

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

## INVOICE

**To:**

Kettleburgh Parish Council
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Invoice No: HL9418
Date: 15 April 2024

Details	Quantity	Amount (£)	Total (£)
To carry out Year End Audit for Kettleburgh Parish Council for the year ended 31 March 2023	1	130.00	130.00
Total			130.00

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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