

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Aldworth 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: £7,777.71 Expenditure: £9,013.99 Reserves: £10,167.24

AGAR Completion:

Section One: [Yes – to be signed](#)

Section Two: [Yes – to be signed](#)

Annual Internal Audit Report 2018/19: [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: [2/12/2020 \(Ref: 8.\)](#)

Financial Regulations in place: [Yes](#)

Reviewed: [2/12/2020 \(Ref: 9.\)](#)

VAT reclaimed during the year: [Yes \(£288.86 – 31/3/2021\)](#)

Registered: [No](#)

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 following policies at a meeting held on 2/12/2020:

- *Grievance & Disciplinary Policy*
- *Anti-Bullying Policy*

The Council adopted the following policies at a meeting held on 15/3/2021:

- *Community Engagement Policy*
- *Complaints Procedure Policy*
- *Equality Policy*
- *Freedom of Information Policy*
- *Media Policy*
- *Grants Awarding 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 (Reg: ZB020004)

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 were reviewed at a meeting held on 15/3/2021 (Ref: 9.a)

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.

The annual play area inspection has been undertaken during the year (Ref: 14/12/2020 – item 7.).

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: www.aldworth-pc.gov.uk

- a) all items of expenditure above £100
Published – Yes – contained within the minutes
- b) annual governance statement (By 1 July)
2020 Annual Return, Section One Published – Yes
- c) end of year accounts (By 1 July)
2020 Annual Return, Section Two Published – Yes
- d) internal audit report (By 1 July)
2020 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 – The Council have no public land or building assets
- 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 Accounts & Audit Regulations 2015 15(2b)** councils must publish on their website:

Notice of period for the exercise of public rights

Published – No

Period of Exercise of Public Rights

Start Date n/a

End Date n/a

Recommendation: *To publish the Notice of Exercise of Public Rights on the Council's website in addition to the Council's notice boards. The notice should be left on the website at least until the following year's audit has been completed as this is an Internal Audit check for the following year's AGAR.*

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

Precept: £8,000 (2021-2022) Date: 18/1/2021 (Ref: 8.)

Precept: £7,500 (2020-2021) Date: 15/1/2020 (Ref: 7.)

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. The above is based on the precept setting that took place during the year of audit.

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 Ref: **120/GA56980**

The Council continue to operate RTI in accordance with HMRC regulations. Payroll was outsourced to 31/3/2021 and is now carried out in house. All 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 15/1/2020 (Ref: 8.).

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 £34,456. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.

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> <p><i>Unity Trust xxxx3699 £10,167.24</i></p> <p><i>The Council closed the Barclays account and opened a new account with Unity Trust (Ref: 2/12/2020 – item 13.a).</i></p>
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 (£3,667.24) and have identified earmarked reserves (£6,500.00) 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> <p><i>Further to the Internal Auditor's comments from the 2020 audit and advice from the External Auditors, the amended 2020 AGAR figures were received and approved. These would be restated in the 2021 AGAR.</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>There was no evidence that the 2020 Internal Audit report was considered by the Council. This may be due to the changeover of Clerks during the year.</i></p> <p><i>Heelis & Lodge were appointed as Internal Auditor at a meeting held on 2/12/2020 (Ref: 13.d).</i></p>
External Audit	<p><i>The Council formally approved the AGAR at a meeting of the full Council held on</i></p> <p><i>The Council declared themselves Exempt from External audit for the 2018-2019 financial year.</i></p>

Additional Comments/Recommendations

- Due to the Coronavirus pandemic the requirement to hold the Annual Parish/Town Council meeting was removed until May 2021.
- It is noted that there were no meetings held between August – November 2020 and that the current Clerk came into post in November 2020. Since that time she has introduced essential documentation and procedures that has significantly improved internal controls and the management of risk.
- 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 and thank her for the excellent standard of record keeping and presentation of documentation provided for the audit.



Heather Heelis
Heelis & Lodge
24 April 2021

HEELIS&LODGE

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www.heelisandlodge.co.uk

INVOICE

To:

Aldworth Parish Council
Swimbrels
Newbury Hill
Hampstead Norreys
Berkshire
RG18 0TR

Invoice No: HL9146

Date: 24 April 2021

Details	Quantity	Amount (£)	Total (£)
To carry out Year End Audit for Aldworth Parish Council for the year ended 31 March 2021	1	90.00	90.00
Courier	1	15.00	15.00
Total			105.00

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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