HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Broomfield 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: £251,208 Expenditure: £217,272 Reserves: £258,065

AGAR Completion:
Section One: No
Section Two: Yes – RFO signed
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. It is noted that the Council use the Rialtas accounting software.

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: 17/5/2023 (Ref: 23/17)
Financial Regulations in place: Yes
Reviewed: 17/5/2023 (Ref: 23/18)

VAT reclaimed during the year: Yes Registered: No

VAT is reclaimed on a quarterly basis.

01/02/2024 – 31/03/2024	£3,800.26	Submission date:	11/4/2024
01/10/2023 – 31/12/2023	£2,956.34	Submission date:	15/2/2024
01/07/2023 – 30/09/2023	£2,870.91	Submission date:	26/10/2023
01/04/2023 – 30/06/2023	£3,223.02	Submission date:	20/09/2023

Contact details : 1 Hembling Terrace, Mill Lane, Suffolk, IP13 0PP
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General Power of Competence: Yes Adopted: 17/5/2023 (Ref: 23/20).

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

Committee Terms of Reference are in place. These were reviewed at a meeting held on 17/5/2023 (Ref: 23/15.

The following policies were reviewed on 17/5/2023:

- *Complaints Procedure*
- *Freedom of Information Policy*
- *Social Media Policy*
- *Equal Opportunities 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: Z2217969)

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 and reviewed on 17/5/2023 (Ref: 23/22). The Risk Assessment was reviewed at a meeting held on 21/6/2023 (Ref: 23/48). Internal Controls were reviewed on 21/6/2023 (Ref: 23/47).

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.

Signatories were reviewed and approved at a meeting held on 16/8/2023 (Ref: 23/87).

The annual RoSPA inspection has been undertaken (Ref: 9/8/2023 – E23/089).

Fidelity Cover: £250,000

The level of Fidelity cover is below the recommended guidelines of year end balances plus 50% of the precept ie £258,0065 + £111,000 = 369,065.

Recommendation: *To undertake a review of the level of Fidelity cover.*

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://www.broomfield-pc.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

Publish Date: 22/6/2023 Start Date: 23/6/2023 End Date: 3/8/2023

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:	£201,583 (2023-2024)	Date: 21/12/2022 (Ref: 22/138)
Precept:	£222,000 (2024-2025)	Date: 20/12/2023 (Ref: 23/164)

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 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: 083/CH883 P60s issued: Yes *The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. Supporting paperwork is in place and P60s have been produced as part of the year end process. Eligible employees have joined the nominated pension scheme.* *The Council adopted an Appraisal Policy at a meeting held on 21/2/2024 (Ref: 23/216).* *It is noted that councillors receive allowances. The allowances are taxable but are not processed via the Council's PAYE process. Councillors therefore sign a declaration recognising that they accept any tax liabilities.*
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 £199,050. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR. A review of the asset register was carried out on 17/5/2023 (Ref: 23/21).*
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:

NS&I	*xxxx9402*	*£41,974.80*
Unity Trust	*xxxx7863*	*£23,026.03*
CCLA - PSDF	*xxxx01PC*	*£196,000.00*
Cambridge	*xxxx4213*	*£85,000.00*
Lloyds Credit		*(£nil)*

Reserves

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

The Council have adequate general reserves (£132,631) and have identified earmarked reserves (£125,434) 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 an Income & Expenditure basis. Creditors and Debtors are identified within the year end accounts.

Sole Trustee

The Council has met its responsibilities as a trustee

The Council is a Trustee of the Broomfield Village Hall (Reg: 301266).

The last annual submission of the accounts was 31/3/2024. A separate examination of the Charity has taken place.

Internal Audit Procedures

The 2023 Internal Audit report was considered by the Council at a meeting held on 17/5/2023 (Ref: 23/29).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 21/2/2024 (Ref: 23/218).

External Audit

The Council formally approved the 2023 AGAR at a meeting of the full Council held on 21/6/2023 (Ref: 23/49).

There was no evidence that the External Auditor's report was considered at a meeting.

There were no matters arising from the External Audit.

Recommendation: *The Council should consider the outcome of the External Audit and record the consideration in the minutes.*

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 17/5/2023. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- **Recommendation:** To ensure that the presiding chair initials each loose-leaf minute page in addition to signing and dating the final page of the minutes.
- **Recommendation:** To ensure the year is included in the date of the minutes.
- 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
24 April 2024

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Broomfield Parish Council
Broomfield Village Hall
158 Main Road
Broomfield
Essex
CM1 7AH

Invoice No: HL9424	
Date: 24 April 2024	

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for the year ended 31 March 2024	1	350.00	350.00
Total			350.00

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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