

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Framlingham Town 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: £237,550 Expenditure: £460,709 Reserves: £447,091 (EMR) £24,321 (GR)

AGAR Completion:

Section One: **No**

Section Two: **Yes – draft figures**

Annual Internal Audit Report 2022/2023: **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 held the General Power of Competence during the year of audit and therefore 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 only one cheque has been written during the year of audit, all other payments are made via BACS.

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: **6/4/2022 (Ref: 16.5)**

Financial Regulations in place: **Yes**

Reviewed: **6/1/2022 (Ref: 16.7)**

VAT reclaimed during the year: **Yes – quarterly**

20/7/2022

16/12/2022

6/2/2023

12/4/2023

Registered: **Yes (Reg: 346 9016 88)**

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Heather Heelis Dip HE Local Policy FILCM

Lynne Lodge Dip HE Local Policy

General Power of Competence: Yes (Reaffirmed on 4/5/2022 – item 9)

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

Committee Terms of Reference were considered at a meeting held on 1/6/2022 (Ref: 16.8).

The following policies were adopted at a meeting held on 4/1/2023

- *CCTV*
- *ICO*
- *ICO Data Protection Impact Assessment*

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: Z9303797)

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 following Risk Assessments were reviewed at a meeting held on 7/12/2022 (Ref: 13.2 & 14.1):

- *Rights of Way Walks*
- *Volunteer activities/Footpath Warden*
- *Speed Indicator Advice*
- *Allotments*
- *Jeaffreson's Well*
- *Fens*
- *Cemetery*
- *Pageant Pavilion*
- *Pageant Field Play Equipment*
- *Churchyard*
- *Tuesday and Saturday Markets*
- *Pageant Field*

Internal Controls and Finance Risk Assessment were reviewed on 4/1/2023 (Ref: 16.5).

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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.

Bank Signatories were reviewed and approved at a meeting held on 6/4/2022 (Ref: 16.6).

The Annual Investment Strategy was adopted at a meeting held on 6/4//2022 (Ref: 16.4).

Fidelity Cover: £1,000,000

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: No
Website: www.framlingham.com

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
2022 Annual Return, Section One Published – Yes
2022 Annual Return, Section Two Published – Yes
2022 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

Start Date [13/6/2022](#) End Date [22/7/2022](#)

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

Precept: £180,941 (2023-2024) Date: 4/1/2023 (Ref: 16.4)
Precept: £170,451 (2022-2023) Date: 6/1/2022 (Ref: 16.5)

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: **245/F80**
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.

It is noted that the Council undertook a review of salaries at a meeting held on 6/4/2022 (Ref: 16.8).

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 £597,197. 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:

<i>HSBC Current</i>	<i>xxxx0192</i>	<i>£24,700.62</i>
<i>HSBC Money Manager</i>	<i>xxxx1177</i>	<i>£377,028.96</i>
<i>HSBC</i>	<i>xxxx2476</i>	<i>£4,732.92</i>
<i>CIL Funds</i>	<i>xxxx7467</i>	<i>£2,004.87</i>
<i>Skatepark Savings</i>	<i>xxxx0756</i>	<i>£1.73</i>
<i>Nationwide BS</i>	<i>xxxx4850</i>	<i>£70,864.30</i>

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

The Council have adequate general reserves (£24,321) and have identified earmarked reserves (£447,091) in their year end accounts.

The Council has received significant sums of CIL over the years and a detailed explanation provided on the breakdown and recommendations for the treatment of CIL in EMR and GR has been provided to the Council (Ref: 9/2/2023).

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. Supporting paperwork is in place.

Sole Trustee The Council has met its responsibilities as a trustee

The Council is not a sole trustee.

Internal Audit Procedures

The 2022 Internal Audit report was considered by the Council at a meeting held on 9/6/2022 (Ref: 5.4).

A review of the effectiveness of the Internal Audit was carried out on 9/2/2023.

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 9/2/2023 (Ref: 16.5).

External Audit

The Council formally approved the 2022 AGAR at a meeting of the full Council held on 1/6/2022 (Ref: 16.4 – 16.6).

The External Auditor's report was considered at a meeting held on 13/10/2022 (Ref: 5.4).

The following matters were brought to the attention of the Council:

- *Section 2, Box 2 – The figure included the Council Tax Support Grant which should be shown in Box 3.*
- *2020/2021 figure in Box 9 was not restated.*
- *Minute references for Sections 1 and 2 were incorrectly recorded.*

Reminder: *Section 2, Boxes 2 and 3 (2022) should be restated in the 2023 AGAR.*

Additional Comments/Recommendations

- The Annual Town Council meeting was held on 4/5/2022. 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 RFO to the Council for his assistance during the course of the audit work and the quality of documentation presented for the audit.



Heather Heelis
Heelis & Lodge
23 April 2023

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Framlingham Town Council
10c Church St
Framlingham
Woodbridge
IP13 9BH

Invoice No: HL9307
Date: 23 April 2023

Details	Quantity	Amount (£)	Total (£)
To carry out Year End Internal Audit for Framlingham Town Council for the year ended 31 March 2023	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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