

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Chelmondiston Parish Council – 2024/2025

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 2024. The following recommendations/comments have been made:

Income: £85,553.81

Expenditure: £45,768.10

Reserves: £104,055.02

AGAR 2024 / 2025 Completion:

Section One: **Yes - unsigned**

Section Two: **Yes – signed by RFO**

Annual Internal Audit Report 2024 / 2025: **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. 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 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: **7th May 2024 (Ref: 18a)**

Financial Regulations in place: **Yes**

Reviewed: **7th May 2024 (Ref: 18b) & 4th March 2025 (Ref: 16a)**

VAT reclaimed during the year: **Yes**

Registered: **No**

General Power of Competence: **No**

Policy Review Schedule in place: **No**

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

Recommendation (1): To update Standing Orders and Financial Regulations to incorporate reference to the current Public Contracts Regulations 2015 value of £30,000.

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Heather Heelis Dip HE Local Policy PILCM

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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 – ZA152470 Expiry 06/12/2025

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. It is advised that, due to the financial risk associated with the new Data Protection Regulations, this should form part of the Council's Risk Assessment.

Recommendation (2): *To include reference to GDPR in the Council's 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 7th May 2024 (Ref: 18c)

Statement of Internal Controls in place: Yes

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: **No**

Website: www.chelmondiston-pc.gov.uk

The Council is not subject to the requirements of the Transparency Code for smaller Councils.

Under **The Accounts & Audit Regulations 2015 13(1a&b)** councils must publish on their website:

Statement of Accounts, External Audit report and Annual Governance statement.
2024 Annual Return, Section One Published – Yes
2024 Annual Return, Section Two Published – Yes
2024 Annual Return, Section Three 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 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 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 wrong form used.

Period of Exercise of Public Rights

Start Date 13th June 2024 End Date 24th July 2024

Budgetary controls

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

Precept: £29,500 (2024 / 2025) Date: 9th January 2024 (Ref: 17c)
Precept: £33,702 (2025 / 2026) Date: 3rd December 2024 (Ref: 14d)

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	<p>Precept and other income, including credit control mechanisms</p> <p><i>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.</i></p>
Petty Cash	<p>Associated books and established system in place</p> <p><i>A satisfactory expenses system is in place with supporting paperwork. No Petty Cash held.</i></p>
Payroll controls	<p>PAYE and NIC in place where necessary. Compliance with Inland Revenue procedures Records relating to contracts of employment</p> <p>PAYE System in place: Yes – SALC Payroll Services Employer PAYE Reference: 245/MA19919 P60's issued: Yes</p> <p><i>The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. All supporting paperwork is in place, and P45 and P60's have been produced as part of the year-end process.</i></p> <p><i>Eligible employees have joined the nominated pension scheme. The last date of re-declaration of compliance was 9th April 2025.</i></p> <p><i>It is noted that the Council undertook a review of salaries at a meeting held on 3rd December 2024 (Ref: 15b).</i></p>
Asset control	<p>Inspection of asset register and checks on existence of assets Cross-checking on insurance cover</p> <p><i>A separate asset register is in place. Values are recorded at cost value. The total value of assets is recorded at £38,613. The figure in the asset register does not correspond with the figure in Section 2, Box 9 of the AGAR.</i></p> <p><i>The Asset Register was reviewed at meetings on 7th May 2024 (Ref: 18f), 4th February 2025 (Ref: 14d) & 4th March 2025 (Ref: 15d).</i></p>

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>Reconciled Bank Balances were confirmed as:</i></p> <table> <tr> <td><i>Lloyds Community</i></td><td><i>£56,090.28 as at 31st March 2025</i></td></tr> <tr> <td><i>Lloyds Instant</i></td><td><i>£27,950.74 as at 24th March 2025</i></td></tr> <tr> <td><i>Lloyds Bank Fixed Term</i></td><td><i>£20,000.00 as at 31st March 2025</i></td></tr> </table> <p><i>Recommendation (3):</i> <i>The council should consider the limits of the Financial Services Compensation Scheme.</i></p>	<i>Lloyds Community</i>	<i>£56,090.28 as at 31st March 2025</i>	<i>Lloyds Instant</i>	<i>£27,950.74 as at 24th March 2025</i>	<i>Lloyds Bank Fixed Term</i>	<i>£20,000.00 as at 31st March 2025</i>
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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 (£53,716.21) and have identified earmarked reserves 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 is prepared on a Receipts & Payments basis.</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>The 2024 Internal Audit report was considered by the Council at a meeting held on 6th August 2024 (Ref: 14).</i></p> <p><i>Recommendation (4):</i> <i>When applicable, the council's response to the Internal Audit recommendations should be contained in the minutes of the meeting.</i></p> <p><i>A review of the effectiveness of the Internal Audit was carried out on 6th August 2024 (Ref: 14).</i></p> <p><i>Heelis & Lodge were appointed as Internal Auditor at a meeting held on 7th May 2024 (Ref: 20d) & 7th January 2025 (Ref: 14b).</i></p>						

External Audit

The Council formally approved the 2024 AGAR at a meeting of the full Council held on 12th June 2024 (Ref: 5) & 3rd September 2024 (Ref: 14).

The External Auditor's report was considered at a meeting held on 4th February 2025 (Ref: 14e).

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

The AGAR has not been signed or approved in accordance with the Accounts and Audit Regulations 2015:

- There is no evidence in the minutes of the approval of Section 1. The smaller authority appointed a third-party accountancy practice as RFO in August 2023. The smaller authority should ensure that an RFO is appointed in line with section 151 of the Local Government Act 1972, and the RFO must be an individual and not a corporate body. We note that an individual currently acts as RFO.*

The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR:

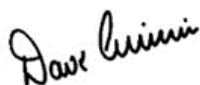
- Information received from the smaller authority indicates that assets purchased during the year have not been included in Section 2, Box 9. Section 1, Assertion 5 has been incorrectly completed, and the correct response should have been 'No'. This is consistent with the Internal Auditor's response to Internal Control Objective C as there was no risk assessment carried out during the year. We have been informed that updated financial regulations and standing orders were adopted in May 2024, however prior to this the smaller authority had not updated its financial regulations and standing orders since 2019 and 2020 respectively. These should be formally reviewed on a regular basis.*

Other matters not affecting our opinion which we draw to the attention of the authority: The AGAR was not accurately completed before submission for review. The AGAR has been amended. We received challenge correspondence in relation to the 2023/24 AGAR which we considered before completing our work. The authority will receive an invoice in relation to this additional work.

Recommendation (5): *It is a requirement that items raised in the External Auditor's report be recorded in the minutes along with any actions to be taken.*

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 7th May 2024. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- The minutes of the Annual Meeting of the Parish Council should be signed at the next Parish Council meeting, not the following year's Annual Meeting. Reference: minutes of the meeting held on 7th May 2024 (Ref: 7a).
- I would like to record my appreciation to the RFO and Clerk to the Council for the quality of documentation presented in the Audit File.



Dave Crimmin PSLCC
Heelis & Lodge
28th April 2025

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www.heelisandlodge.co.uk

INVOICE

To:

Chelmondiston Parish Council
The Village Hall
Main Road
Chelmondiston
IP9 1DX

Invoice No: HLD2417

Date: 28th April 2025

Details	Quantity	Amount (£)	Total (£)
To carry out a Year-end Internal Audit for Chelmondiston Parish Council for the year ended 31 March 2025.	1	260.00	260.00
Total			260.00

Please make cheques payable to: Heelis & Lodge

Bank Details: Account 02539349 Sort Code 09-01-50

Terms – 14 days

Thank you.

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