HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Ramsey and Parkeston 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:

AGAR Completion:
Section One: Yes – to be approved
Section Two: Yes – to be approved
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 Council held the General Power of Competence from 13/1/2025 and LGAs137 does not apply from this date.

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: 13/5/2024 (Ref: 9)
Financial Regulations in place: Yes
Reviewed: 13/5/2024 (Ref: 9)

Recommendation: *To update Standing Orders and Financial Regulations to include reference to the 2024 Public Contract Regulations.*

VAT reclaimed during the year: Yes
Registered: No

Contact details : 1 Hembling Terrace, Mill Lane, Suffolk, IP13 0PP
Tel: 07732 681125
Email: heather@heelis.eu

Heather Heelis Dip HE Local Policy FILCM
Lynne Lodge Dip HE Local Policy

Submission Period:	Amount:
01/11/2023-31/03/2024	*£1,275.96*
01/04/2024-31/03/2025	*£7,279.19*

General Power of Competence: Yes Adopted: 13/1/2025 (Ref: 13)

Policy Review Schedule in place: Yes (Annual Parish Council Meeting)

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

The Council reviewed the following documents during the year of audit:

13/5/2024
- *Code of Conduct*
- *Clerk's Terms and Conditions*
- *Biodiversity Policy*
- *Publication Scheme*
- *Policies*

14/10/2024
- *Cemetery Risk Assessment*
- *Insurance*

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: Z3600731

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: *To include reference to GDPR in the Council's Risk Assessment.*

Privacy Policy published: No

Insurance was in place for the year of audit. The Financial Risk Assessment was reviewed at a meeting held on 13/5/2024 (Ref: 9), however, there is no specific agenda item or specific mention in the minutes of the review taking place. In 2023, the review schedule was published on the website, however, no document for 2024 has been published.

Statement of Internal Controls in place: No

Recommendation: *To undertake and minute a review of the Risk Assessment and Internal Controls during the year of audit. It is further recommended that the mandatory review has a separate agenda item and is minuted separately from the policy reviews.*

Recommendation: *To adopt a Statement of Internal Control. A template can be provided.*

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.

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: No
Website: www.ramseyparkestone-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
2024 Annual Return, Section One Published – No (only Internal Audit section via the link on the website)
2024 Annual Return, Section Two Published – No (only Internal Audit section via the link on the website)
2024 Annual Return, Section Three Published – Yes

Recommendation: *To upload the missing documents to the Council's website.*

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

Form provided in the audit files
Publication Date: 5/5/2024
Start Date: 3/6/2024
End Date: 15/7/2024

The date of publication is prior to the date of the approval of the AGAR. This does not meet the publication requirements.

Form published on the website
Publication Date: not on the form
Start Date: 24/6/2024
End Date: 2/8/2024

Please see the External Auditor's report.

Dates published in the minutes
Publication Date: not published in the minutes
Start Date: 18/6/2024
Finish Date: 21/7/2024

It is noted that he dates on the Notice on the website did not correspond with the dates in the Notice provided in the files for the audit or the dates published in the minutes. In addition to this, the incorrect form for the Notice has been used on the website, the form used is the form that should be returned to the External Auditor. The form provided in the files for audit is the correct form.

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 not met the publication requirements. The following documents should be published on the Council's website:

Year	*Sections Published*
2023-2024	*Section 3*
2022-2023	*Sections 1, 2, 3*
2021-2022	*Not published (broken link)*
2020-2021	*Not published (broken link)*
2019-2020	*Not published (broken link)*

Recommendation: *To publish sections 1, 2 and 3 of the audited AGARs for the above years on the Council's website.*

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

Precept:	£not known	(2025-2026)	Date:	13/1/2025 (Ref: 14)
Precept:	£74,600	(2024-2025)	Date:	15/1/2024 (Ref: 14)

Satisfactory budgetary procedures are in place. The precept was agreed in full council however the precept decision and amount has not been minuted. Budget papers are prepared to ensure councillors have sufficient information to make informed decisions. Budgets are monitored during the year.

Recommendation: *To clearly minute the precept decision and the precept amount in the minutes.*

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 and pensions

PAYE System in place: Yes
Employer's Reference: 120/WA56884
P60s issued: Yes

The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. Supporting paperwork is in place and a P60 has been produced as part of the year end process.

It is note that the Council resolved councillor allowances at a meeting held on 15/4/2024. Based on the documents provided for the audit, it appears that allowances are paid gross to councillors. Allowances are taxable and should therefore be processed through the Council's payroll or a statement signed by councillors acknowledging that individual councillors are responsible for the tax due and thereby absolving the Council from any liabilities.

It is noted that the Council undertook a review of salaries at a meeting held on 13/1/2025 (Ref: Part B.1) and 18/11/2024 (Ref: 9.a).

Recommendation: *To process councillor allowances through the Council's payroll or provide evidence that removes any tax liabilities from the Council.*

Asset control

Inspection of asset register and checks on existence of assets
Cross checking on insurance cover

A separate asset register is in place, with a review being undertaken on 13/5/2024 (Ref: 8). Values are recorded at cost value. The total value of assets are recorded at £221,685. 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:

Co-op Community	*xxxx2650-00*	*£150,452.60*
Co-op Savings	*xxxx2650-53*	*£nil*

The Council had no outstanding loans or long term investments at the year end.

Reserves

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

The Council have adequate general reserves (£145,452.60) and have identified earmarked reserves of £5,000.00 as stated in the documents provided for the audit.

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 a Receipts & Payments basis. When checking the AGAR figures for 2025, it appears that, when calculated as follows:

Box 1 £155,983 +
Box 2 £74,600 +
Box 3 £11,585 –
Box 4 £13,233 –
Box 5 £0 –
Box 6 £70,547
= Box 7 £158,388

There appears to be an error in the AGAR figures.

***Recommendation:** To check the AGAR figures for accuracy before submitting the AGAR to the External Auditor.*

Sole Trustee	The Council has met its responsibilities as a trustee *The Council is not a sole trustee.*
Internal Audit Procedures	*The 2024 Internal Audit report was considered by the Council at a meeting held on 18/11/2024 (Ref: 9.a).* *A review of the effectiveness of the Internal Audit was carried out on 18/11/2024 (Ref: 9.a)* *Heelis & Lodge were appointed as Internal Auditor at a meeting held on 17/2/2025 (Ref: 9.a).*
External Audit	*The Council formally approved the 2024 AGAR at a meeting of the full Council held on 17/6/2024 (Ref: 11).* *The External Auditor's report was considered at a meeting held on 14/10/2024 (Ref: 8.a).* *The following matters were brought to the attention of the Council:*

The smaller authority has disclosed that it made proper provision during the year 2023/24 for the exercise of public rights, by answering 'Yes' to Section 1, Assertion 4. However, as was reported last year, we are aware that it failed to do this and therefore should have answered 'No' to this Assertion. It has also disclosed that it took appropriate action on all matters raised in reports from internal and external audit, by answering 'Yes' to Section 1, Assertion 7, which, on the basis of the above, is not correct. In the completion of the Annual Internal Audit Report, or their detailed report, the internal auditor has drawn attention to weaknesses in relation to the dates of the period for the exercise of public rights for 2023/24. The smaller authority must ensure that action is taken to address these areas of weakness in a timely manner

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 13/5/2024. 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 Clerk to the Council for their assistance during the course of the audit work.



Heather Heelis
Heelis & Lodge
12 June 2025

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Ramsey and Parkeston Parish Council

Invoice No: HL9611
Date: 12 June 2025

Details	Quantity	Amount (£)	Total (£)
To carry out Year End Internal Audit for the year ended 31 March 2025 Banding £50,001 - £100,000	1	260.00	260.00
Total			260.00

Please make cheques payable to: Heelis & Lodge

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

NB Change to bank account details

Terms – 14 days

Thank you.

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Contact details : 1 Hembling Terrace, Mill Lane, Suffolk, IP13 0PP
Tel: 07732 681125
Email: heather@heelis.eu

Heather Heelis Dip HE Local Policy FILCM
Lynne Lodge Dip HE Local Policy