

# Report to the Corporate Governance Committee ('CGC')

Date: 10 July 2024

## Subject: RFO's Report

This report includes the RFO's direction to the CGC regarding: the proper administration of the Stanway Parish Council's financial affairs; the form of accounting records and supporting records; and the financial control systems.

### 1. Summary

- Expenditure was in line with budgets at the end of the first quarter ('Q1'), and income was slightly ahead of budget.
- Cash at hand is adequate to support both Earmarked Reserves and the General Reserve. However, the counterparty exposure to Unity Trust Bank is above the maximum threshold permitted by the Financial Regulations. Measures are in hand to address this, discussed further under item 6.

### 2. Interim Management Accounts (Appendix One)

The interim management accounts reflect the position as of end Q1. The key points are as follows.

- Income is on track with budgets although, as noted last month, revenue from the burial ground is ahead of target.
- Broadly speaking, revenue expenditure is also in line with budgets. However, several cost codes (highlighted in yellow in the appended summary) have less than half of annual budget remaining for 2024–25 and, in the case of 37 (Corporate Subscriptions) the entire budget for the year has already been spent. Councillors and officers are reminded that expenditure above budget requires resolution by Council before it is incurred.

### 3. Bank Reconciliation (Appendix Two) and update on investments

#### Bank reconciliation

As of end Q1, there was £348,385 cash at hand of which £2,292 was owed to creditors. A further £167,700 is ringfenced in identified Earmarked Reserves with the balance making the General Reserve.

#### Update on investments

Currently all funds are deposited with Unity Trust Bank. SPC decided in October 2023 that it would be prudent to spread the counterparty credit risk.

Having commenced the process to deposit funds with Cambridge & Counties Bank it transpires the only product available to local authorities is a five-year fixed rate business bond with an interest rate of 4.60% AER. Such product is not suitable because the duration ties up funds beyond a practical timeline and in any event would be contrary to Financial Regulation 6.8.d).

From the required application form it is noted the proposed deposit account with Redwood Bank will allow each individual signatory *'full access to the account'*. Although the account would be linked to the current account with Unity Trust Bank and any change to the nominated account would require written authorisation from all signatories, allowing a single person access to more than £500 would be contrary to Financial Regulation 15.6 and the Council's usual practices.

Further investigations are now required to identify investments that satisfy the objective for better returns while conforming to SPC's internal controls.

**4. Payments List (Appendix Three)**

In a change from previous practices, the 'Payments List' shows the expenditure incurred from 1 June to 30 June 2024 rather than listing future payments to be made.

**5. Internal auditor's report (Appendix Four)**

The internal auditor has submitted her report of the 2022–23 financial year. It contains several observations and recommendations. The alleged failure by the former RFO to publish a notice of public rights (to inspect the unaudited provisional financial statements for 2022–23) is factually inaccurate. The former RFO published the notice in accordance with her statutory obligation, both on time and in the specified format.

## **Appendices**

- 1. Interim management accounts**
- 2. Bank reconciliation and lists of creditors and debtors**
- 3. Payments list**
- 4. Internal auditor's report**

1

**Stanway Parish Council**  
**Interim Management Accounts**  
**Income & Expenditure Summary (to 30 June 2024)**

	2024-25 Q1		2023-24	2022-23
	Actual	Budget	Full Year	Full Year
<b>Revenue Expenditure</b>				
Staff	(45,308)	(50,515)	(175,441)	(158,204)
Administration	(10,214)	(5,475)	(17,992)	(16,401)
Banking and Finance	(10,366)	(5,163)	(21,444)	(22,195)
Professional Services	(973)	(9,050)	(9,287)	(7,297)
Community Assets	(8,782)	(16,175)	(49,867)	(46,852)
Community Services	(1,252)	(4,625)	(10,950)	(6,899)
<b>Subtotal</b>	<b>(76,895)</b>	<b>(91,002)</b>	<b>(284,980)</b>	<b>(257,848)</b>
<b>Revenue Income</b>				
Precept	182,100	182,100	353,793	290,762
Sales of goods and rendering of services	4,421	1,250	4,470	8,956
Interest received	343	188	2,478	1,150
<b>Subtotal</b>	<b>186,864</b>	<b>183,538</b>	<b>360,741</b>	<b>300,868</b>
<b>Revenue Account Surplus (Deficit)</b>	<b>109,969</b>	<b>92,536</b>	<b>75,761</b>	<b>43,020</b>
<b>Capital Expenditure</b>				
Buildings and car parks	-	-	(76,185)	(30,250)
Grounds and facilities	-	(52,500)	-	(123,424)
Plant and equipment	(1,440)	-	(1,812)	(10,000)
<b>Subtotal</b>	<b>(1,440)</b>	<b>(52,500)</b>	<b>(77,997)</b>	<b>(163,674)</b>
<b>Capital Receipts</b>				
Capital grants and contributions	2,630	52,500	65,386	91,721
Capital gifts and donations	-	-	1,000	1,150
<b>Subtotal</b>	<b>2,630</b>	<b>52,500</b>	<b>66,386</b>	<b>92,871</b>
<b>Capital Account Surplus (Deficit)</b>	<b>1,189</b>	<b>-</b>	<b>(11,611)</b>	<b>(70,803)</b>
<b>Overall Suplus (Deficit)</b>	<b>111,158</b>	<b>92,536</b>	<b>64,151</b>	<b>(27,783)</b>

Summary of Receipts and Payments

Cost Centre Group - Revenue Account (Between 01/04/2024 and 30/06/2024)

**A1 Revenue Income**

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
1	Precept	364,200.00	182,100.00	-182,100.00				-182,100.00 (-50%)
2	Wayleaves	1.00		-1.00				-1.00 (-100%)
6	Credit Interest	750.00	343.48	-406.52				-406.52 (-54%)
53	Community Events	1,000.00	10.00	-990.00				-990.00 (-99%)
55	Burial Ground	4,000.00	4,411.00	411.00				411.00 (10%)
77	All Other Revenue Income							(N/A)
<b>SUB TOTAL</b>		<b>369,951.00</b>	<b>186,864.48</b>	<b>-183,086.52</b>				<b>-183,086.52 (-49%)</b>

**B1 Staff**

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
8	Salaries (inc. employee's tax, NI				146,700.00	32,603.13	114,096.87	114,096.87 (77%)
9	Employers' NI Contribution				13,600.00	3,246.18	10,353.82	10,353.82 (76%)
10	Home Working Allowance				950.00	234.00	716.00	716.00 (75%)
11	Employers' Pension Contribution				35,208.00	8,253.05	26,954.95	26,954.95 (76%)
13	Training, Membership Fees & St				5,000.00	971.67	4,028.33	4,028.33 (80%)
14	Travel & Subsistence				600.00		600.00	600.00 (100%)
<b>SUB TOTAL</b>					<b>202,058.00</b>	<b>45,308.03</b>	<b>156,749.97</b>	<b>156,749.97 (77%)</b>

**B2 Office & IT**

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
17	Office Supplies & Consumables				1,900.00	169.33	1,730.67	1,730.67 (91%)
20	Telephone & Broadband				2,300.00	452.57	1,847.43	1,847.43 (80%)
22	IT Hardware & Software (inc. sup				4,300.00	1,693.29	2,606.71	2,606.71 (60%)
<b>SUB TOTAL</b>					<b>8,500.00</b>	<b>2,315.19</b>	<b>6,184.81</b>	<b>6,184.81 (72%)</b>

**B3 Banking & Finance**

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
38	Bank Charges				200.00	52.05	147.95	147.95 (73%)
79	Capital Repayments				16,000.00	8,000.00	8,000.00	8,000.00 (50%)
80	Debit Interest				4,450.00	2,314.00	2,136.00	2,136.00 (48%)
<b>SUB TOTAL</b>					<b>20,650.00</b>	<b>10,366.05</b>	<b>10,283.95</b>	<b>10,283.95 (49%)</b>

**B4 Professional Services**

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
24	Internal Audit				1,600.00	255.00	1,345.00	1,345.00 (84%)
25	External Audit				1,100.00		1,100.00	1,100.00 (100%)

Summary of Receipts and Payments

Cost Centre Group - Revenue Account (Between 01/04/2024 and 30/06/2024)

40 Professional Fees		33,500.00	718.00	32,782.00	32,782.00 (97%)
<b>SUB TOTAL</b>		<b>36,200.00</b>	<b>973.00</b>	<b>35,227.00</b>	<b>35,227.00 (97%)</b>

**B5 Other Admin**

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
21	Communications & Advertising				1,700.00	160.00	1,540.00	1,540.00 (90%)
36	Insurance				10,000.00	7,227.77	2,772.23	2,772.23 (27%)
37	Corporate Subscriptions				1,500.00	1,489.91	10.09	10.09 (0%)
75	Chairman's Allowance				200.00	63.98	136.02	136.02 (68%)
998	Uncategorised Expenditure							(N/A)
999	Accounting Adjustment		1,115.00	1,115.00		72.56	-72.56	1,042.44 (N/A)
<b>SUB TOTAL</b>			<b>1,115.00</b>	<b>1,115.00</b>	<b>13,400.00</b>	<b>9,014.22</b>	<b>4,385.78</b>	<b>5,500.78 (41%)</b>

**CA1 Grounds**

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
27	Buildings & Car Parks				10,000.00	200.00	9,800.00	9,800.00 (98%)
30	Play Areas				6,000.00		6,000.00	6,000.00 (100%)
31	Grounds Maintenance				17,500.00	3,074.00	14,426.00	14,426.00 (82%)
52	Tools and Consumables				1,000.00	176.98	823.02	823.02 (82%)
57	Burial Ground				2,500.00	2,182.07	317.93	317.93 (12%)
94	Maintenance Vehicle				1,200.00	41.61	1,158.39	1,158.39 (96%)
<b>SUB TOTAL</b>					<b>38,200.00</b>	<b>5,674.66</b>	<b>32,525.34</b>	<b>32,525.34 (85%)</b>

**CA2 Streets**

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
50	Streetlights - ex. Electricity				6,000.00	1,574.70	4,425.30	4,425.30 (73%)
81	Street Furniture				4,500.00		4,500.00	4,500.00 (100%)
84	Streetlights - Electricity				15,000.00	1,532.53	13,467.47	13,467.47 (89%)
96	Footpaths				1,000.00		1,000.00	1,000.00 (100%)
<b>SUB TOTAL</b>					<b>26,500.00</b>	<b>3,107.23</b>	<b>23,392.77</b>	<b>23,392.77 (88%)</b>

**CS1 Community Services**

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
54	Community Events		6.65	6.65	6,000.00	963.72	5,036.28	5,042.93 (84%)
70	Grants				5,000.00		5,000.00	5,000.00 (100%)
91	Community Safety				4,000.00	195.00	3,805.00	3,805.00 (95%)
104	Community Services				500.00	100.00	400.00	400.00 (80%)
105	Road Safety				3,000.00		3,000.00	3,000.00 (100%)

**Summary of Receipts and Payments**

Cost Centre Group - Revenue Account (Between 01/04/2024 and 30/06/2024)

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<b>SUB TOTAL</b>		<b>6.65</b>	<b>6.65</b>	<b>18,500.00</b>	<b>1,258.72</b>	<b>17,241.28</b>	<b>17,247.93 (93%)</b>
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**Summary**

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<b>NET TOTAL</b>	<b>369,951.00</b>	<b>187,986.13</b>	<b>-181,964.87</b>	<b>364,008.00</b>	<b>78,017.10</b>	<b>285,990.90</b>	<b>104,026.03 (14%)</b>
<b>V.A.T.</b>		1.33			2,355.14		
<b>GROSS TOTAL</b>		<b>187,987.46</b>			<b>80,372.24</b>		



Summary of Receipts and Payments

Cost Centre Group - Capital Account (Between 01/04/2024 and 30/06/2024)

**A2 Capital Receipts**

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
3 Capital Grants & Other Donation							(N/A)
4 CCC Grants	1,000.00		-1,000.00				-1,000.00 (-100%)
5 Other Grants	203,741.00		-203,741.00				-203,741.00 (-100%)
7 LCTS Administration Subsidy	5,259.00	2,629.50	-2,629.50				-2,629.50 (-50%)
<b>SUB TOTAL</b>	<b>210,000.00</b>	<b>2,629.50</b>	<b>-207,370.50</b>				<b>-207,370.50 (-98%)</b>

**Q Capital Expenditure**

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
23 IT Equipment					1,440.43	-1,440.43	-1,440.43 (N/A)
207 Jansma Park				200,000.00		200,000.00	200,000.00 (100%)
209 Bus shelter corner of Holly Rd ar				10,000.00		10,000.00	10,000.00 (100%)
<b>SUB TOTAL</b>				<b>210,000.00</b>	<b>1,440.43</b>	<b>208,559.57</b>	<b>208,559.57 (99%)</b>

**Summary**

<b>NET TOTAL</b>	<b>210,000.00</b>	<b>2,629.50</b>	<b>-207,370.50</b>	<b>210,000.00</b>	<b>1,440.43</b>	<b>208,559.57</b>	<b>1,189.07 (0%)</b>
<b>V.A.T.</b>					<b>288.09</b>		
<b>GROSS TOTAL</b>		<b>2,629.50</b>			<b>1,728.52</b>		

2



**Stanway Parish Council**  
**Uncashed payments/transfers out (All banks)**  
**(Upto 30/06/2024)**

Voucher	Date	Cheque No.	Description	Total	Bank
88	05/06/2024		Maintenance consumables	13.92	1. Unity Trust XXXXX053
89	07/06/2024		Event expenditure	14.17	1. Unity Trust XXXXX053
90	07/06/2024		Event expenditure	10.38	1. Unity Trust XXXXX053
91	09/06/2024		Maintenance consumables	28.00	1. Unity Trust XXXXX053
92	10/06/2024		Office consumables	19.58	1. Unity Trust XXXXX053
95	12/06/2024		IT hardware	936.24	1. Unity Trust XXXXX053
100	14/06/2024	DIRECT DEBIT	Telephone and broadband	145.55	1. Unity Trust XXXXX053
102	18/06/2024	DIRECT DEBIT	ICO registration fee	35.00	1. Unity Trust XXXXX053
103	24/06/2024		Waste collection	261.60	1. Unity Trust XXXXX053
104	13/06/2024		Audit fees	255.00	1. Unity Trust XXXXX053
105	27/06/2024		IT software and support	524.40	1. Unity Trust XXXXX053
106	27/06/2024		Advertising	48.00	1. Unity Trust XXXXX053
<b>Total-----</b>				<b>2,291.84</b>	

**Stanway Parish Council**  
**Uncashed receipts\transfers in (All banks)**  
**(Upto 30/06/2024)**

<b>Voucher</b>	<b>Date</b>	<b>Cheque No.</b>	<b>Description</b>	<b>Total</b>	<b>Bank</b>
9	07/06/2024		Event expenditure	7.98	1. Unity Trust XXXXX053
			Total-----	<b>7.98</b>	

3



## Stanway Parish Council PAYMENTS LIST

Vouche Code	Date	Minute	Bank	Cheque No	Description	Supplier	VAT Type	Net	VAT	Total
103	24/06/2024		1. Unity Trust XXXXX		Waste collection	TBS Hygiene Ltd	S	218.00	43.60	261.60
105	27/06/2024		1. Unity Trust XXXXX		IT software and support	Saint IT Ltd	S	437.00	87.40	524.40
106	27/06/2024		1. Unity Trust XXXXX		Advertising	Regional Life Ltd	S	40.00	8.00	48.00
118	30/06/2024		1. Unity Trust XXXXX	DIRECT DEBIT	Bank charges	Unity Trust Bank plc	X	34.05		34.05
<b>Total</b>								<b>26,933.35</b>	<b>570.72</b>	<b>27,504.07</b>



4

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Year End Internal Audit Report for Stanway 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 and read in conjunction with the **Interim Internal Audit Report dated 23/10/2023**. The following recommendations/comments have been made:

Provisional Income: £427,127      Provisional Expenditure: £362,977      Provisional Reserves: £266,582

### AGAR Completion:

Section One: [The AGAR was not available for the audit](#)

Section Two: [The AGAR was not available for the audit](#)

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. VAT is tracked and identified within the year end accounts. The Council hold the General Power of Competence and LGAs137 does not apply. The Council use Scribe accounting software and online banking. There were 2 cheques written during the year (No.300024 - £5,117.92 and No.300025 - £1,500).*

*The cashbook is referenced and audit trails were undertaken as part of the audit.*

**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: [25/5/2023 \(Ref: 23.iii\)](#)

Financial Regulations in place:      [Yes](#)

Reviewed:

[25/5/2023 \(Ref: 23.ii & iv\)](#), [28/9/2023 \(Ref: 16\)](#) and [30/11/2023 \(Ref: 14\)](#)

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VAT reclaimed during the year:

*The RFO anticipates a reclaim of input VAT for 2023–24 will be submitted to HMRC once the accounting statements have been certified by the RFO and approved by Stanway Parish Council and after expiry of the period for 'exercise of public rights' in July 2024.*

*The sum of £35,777.58 VAT was refunded to the Parish Council by HMRC on 17/5/2023. The period for this refund is not known as the VAT 126 form was not available for the audit.*

VAT Registered: No

*There were 3 tenders for the period 1/4/2023 – 31/12/2023, none of which exceeded the £30,000 Public Contract Regulations threshold. Tenders exceeding £5,000 are listed on the Council's website.*

*The Council reviewed the following policies during the year at a Corporate Governance meeting held on 15/2/2024 (Ref: 8) prior to full Council on 28/3/2024 (Ref: 19):*

- *Dignity at Work*
- *Equality, Diversity and Inclusion*
- *Co-option*

## **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: Z2785850)

### **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 was reviewed at a meeting held on 11/10/2023 (Ref: 10.ii)*

*The Council held a review of effectiveness of key controls on 8/2/2024 of which the Summary of Findings were as follows:*

*`This review assessed the effectiveness of Key Controls in only three areas of operation and, in respect of payments, reviewed only one quarter's information. Although no resultant losses were identified, Control Failures are apparent across the Council's operations, which indicates weaknesses in the system of*

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*internal control. Left unaddressed such weaknesses may lead to financial, reputational, legal, regulatory, security, and operational consequences. Of particular note is the ongoing failure of Key Controls relating to access to bank accounts which puts more than one third of the Council's current cash holdings at increased risk of loss. In light of the values at risk, this is regarded as a materially significant Control Failure. Related to the failure of the Key Controls for access to bank accounts, is the failure of the Key Controls to mitigate the risk of counterparty default, resulting in another third of the Council's cash holdings being exposed to increased risk of loss. The Corporate Governance Committee previously raised concerns regarding the failure of Key Controls for procurement and supplier engagement. This review found these operational activities continue to present challenges, with Control Failures identified in around one third of payments. Although many of the individual payments were less than £100, a total of £16,905 was at increased risk of loss during the last quarter of 2023.'*

*The Council have poor internal financial controls in place. The Clerk provides financial reports to council meetings and Councillors are provided with information to enable them to make informed decisions. However, Financial Regulations are not always adhered to as the Council have evidenced in their findings of the effectiveness of key controls.*

*Bank signatories were due to be reviewed on 28/3/2024, this was deferred to the Corporate Governance meeting in April 2024.*

Fidelity Cover (Fraud and Dishonesty): £350,000

*The level of Fidelity cover is below the recommended guidelines of year end balances plus 50% of the precept.*

**Recommendation:** *To review the level of Fidelity Cover (Fraud and Dishonesty).*

## 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.stanway-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 – No*

Period of Exercise of Public Rights

*There was no evidence either in the minutes or on the Council's website that the Council correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (Internal Control Objective M).*

***Recommendation:*** *The Council should evidence that they have correctly provided for a period for the exercise of public rights either by displaying the Notice on the website or in Council approved minutes confirming the dates set.*

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: £353,793 (2023-2024)

Date: 26/1/2023 (Ref: 16)

Precept: £364,200 (2024-2025)

Date: 25/1/2024 (Ref: 13)

*Satisfactory budgetary procedures are in place. Budget papers are prepared to ensure councillors have sufficient information to make informed decisions. Budgets are considered by the Corporate Governance Committee and include a 5 year forecast prior to making a precept recommendation to full Council.*

*The precepts for 2023-2024 and 2024-2025 were agreed in full council and the precept amount has been clearly minuted. The Clerk ensures the council are aware of responsibilities, commitments, forward planning and the need for adequate reserves.*

**Income controls**

Precept and other income, including credit control mechanisms

*Income controls were checked and a sample of income received and banked cross referenced with the Cash Book and bank statements.*

*The Council reviewed Burial Ground fees at a meeting held on 5/12/2023 (Ref: 5.a).*

**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: **Not evidenced** P60s issued: **Not evidenced**

*The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. Limited supporting paperwork was available for the audit. Eligible employees have joined the nominated pension scheme, payments have been made to HMRC and pension contributions have been made.*

*It is noted that the Council undertook a review of salaries at a meeting held on 3/10/2023 (Ref: 6.b).*

**Asset control**

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

*The asset register at 31/3/2024 was not available for the audit. The asset register provided for the audit was for the year 2022-2023. The total value of assets could not be verified. The Council should verify that 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>Unity Trust</i>	<i>xxxx6053</i>	<i>£192,243.08</i>
<i>Unity Trust</i>	<i>xxxx0933</i>	<i>£50,097.95</i>
<i>Nationwide</i>	<i>xxxx2427</i>	<i>Account closed 26/1/2024</i>
<i>Nationwide</i>	<i>xxxx2419</i>	<i>Account closed 18/3/2024</i>
<i>Barclays</i>	<i>xxxx9152</i>	<i>Account closed 26/2/2024</i>
<i>Barclays</i>	<i>xxxx1528</i>	<i>Account closed 26/2/2024</i>

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## Reserves

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

*The Council have adequate general reserves of £157,082 and have identified earmarked reserves of £109,500 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.*

*It is noted that the Finance Officer has confirmed that the annual accounting statements for 2023–24 provided for the audit have not been certified by the RFO, approved by Stanway Parish Council or audited by the local (External) auditor. The Finance Officer anticipates the audited accounting statements will be available in around September 2024. In the meantime, provisional, uncertified and unaudited accounting statements were provided in Exhibit Eight of the audit papers.*

## Internal Audit Procedures

*The 2023-2024 Interim Internal Audit report was considered by the Council at a Corporate and Governance Committee meeting held on 8/11/2023 (Ref: 14) and at full Council on 30/11/2023 (Ref: 15).*

## External Audit

*There was no evidence in the minutes that the External Auditor's report dated 27/9/2023 was considered at a meeting of the Council.*

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

### 2 External auditor's limited assurance opinion 2022/23

Except for the matters reported below, on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return (AGAR), in our opinion the information in Sections 1 and 2 of the AGAR is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

The AGAR was not accurately completed before submission for review:

- The smaller authority has not restated the 2021/22 figure when revaluing assets in Section 2, Box 9. Please note that the Practitioners' Guide allows smaller authorities to use any reasonable valuation method, provided that the prior year figure is restated for consistency and comparability.

Other matters not affecting our opinion which we draw to the attention of the authority:

The smaller authority has not provided year end bank statements for two of the bank accounts to support the bank reconciliation to Section 2, Box 8. These were requested as part of our intermediate review procedures.

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### **Additional Comments/Recommendations**

- There are no additional comments/recommendations to make in relation to this audit.
- I would like to record my appreciation to the Finance Officer and Clerk for their assistance during the course of the audit work.



**Heather Heelis**  
**Heelis & Lodge**  
8 June 2024



## **Background Papers**

These papers include personal data, financial information and confidential information belonging to third parties which the Council does not have express permission to publish. Consequently, these papers are exempt from disclosure or inspection pursuant to the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, as amended, Standing Order 11, and Financial Regulation 21.6.

### **1. Bank statements**