

YORKSHIRE INTERNAL AUDIT SERVICES  
JASPER COTTAGE, SESSAY, THIRSK, NORTH YORKSHIRE YO7 3BE  
TELEPHONE 01845 501660

Mrs G Ennion-Farrington  
Clerk to Heworth Without Parish Council  
1 Allington Drive  
Appletree Village  
Heworth  
York  
YO31 0NL

Dear Mrs Ennion-Farrington

**To the Members of Heworth Without Parish Council**  
**Internal Audit of Accounts for the Financial Year ending 31 March 2022**

I am pleased to inform you that the internal audit is complete. Due to the easing of restrictions on working arrangements that were in place as a result of the pandemic it was possible to carry out the audit in person this year.

Appropriate tests and checks were carried out on the accounts and management arrangements to confirm that the systems of financial and other controls over the council's activities and operating procedures are effective. Following that I can confirm that internal controls are operating as expected and there are no matters to give cause for concern.

Action has been taken on the recommendations in my previous report and these are detailed in the paragraphs below. Various minor matters were discussed during the audit and action agreed with the clerk where necessary. There are no new matters to bring to members' attention.

The Annual Internal Auditors Report contained within the Annual Governance and Accountability Return 2021/22 has been completed as required.

Annual Governance Arrangements

As part of its Annual Governance Statement the council declare that they have made proper arrangements for the safeguarding of public money and have a sound system of internal control demonstrated by the key documents councils should have in place, which include Standing Orders, Financial Regulations, Risk Management Strategy and a System of Internal Control. Additionally, The Accounts and Audit Regulations 2015 require the council to conduct each financial year a review of the



effectiveness of the system of internal control which should inform the authority's preparation of its Annual Governance Statement.

During 2020/21 the council had most of these key documents in place but not all had been reviewed or properly formally adopted by the council.

I recommended that these governance documents should be reviewed regularly including the risk assessment which should be reviewed annually.

I also recommended that the council define and document their internal controls and review these annually together with the other key documents mentioned. In addition, I noted during the audit that there were some inconsistencies between Standing orders and the Financial Regulations in limits set for obtaining quotations and estimates for work.

I note that during 2021/22 key documents have been reviewed and amended where necessary and formally adopted. The limits set within Standing Orders and Financial Regulations for seeking additional quotations are now the same within both documents.

#### Financial Regulations and Payment Controls

It was noted during the previous audit that on many occasions throughout the year the clerk made payments from her personal account on behalf of the council. These payments totalled more than £1200 for the year. This did not follow the controls as set out in the council's Financial Regulations and although reimbursement to the clerk for minor items could be acceptable for practical reasons, the scale and type of payment made in those cases did not fall into that category.

The council uses electronic banking and makes most of its payments online where possible but did not have a debit or credit card.

I recommended that the council consider the use of a debit card or prepaid debit card and consider appropriate limits and methods to ensure that controls still applied. The council now has a debit card with a limit of £500 without prior authorisation, reimbursements are now no longer necessary and internal controls are operating as intended.

#### Fidelity Guarantee Insurance

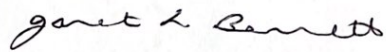
During 2020/21 the level of fidelity guarantee insurance held by the council was £25,000. Balances held at 31 March 2021 were around £60,000 and using the generally applied criteria of balances at the 31<sup>st</sup> March plus half the precept an adequate level of cover should have been around £70,000 as a minimum. The council therefore in my opinion were underinsured.

I recommended that the council consider increasing the level of cover on renewal of the policy at the end of May 2021. The level of cover was increased to £100,000 and was sufficient for the maximum potential cash and balances held during 2021/22 and the coming year.

Precept

I noted that the council at its meeting in January 2021 considered the draft 2021/22 budget and precept request. The approval of the budget and precept demand to City of York council was recorded but the amount of the precept requested was not noted. In the interests of transparency, I recommended the council should record in the minutes the precept agreed and requested as an amount in pounds. This was done for the 2022/23 precept request.

Yours sincerely



JL Bennett  
6 May 2022

PARTNERS ~ KC Stephenson      Tel: 0113 2585610  
   RF Entwistle      Tel 01845 501660  
PRINCIPAL AUDITOR ~ Mrs JL Bennett      Tel: 01924 671829