

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Little Waldingfield Parish Council - 2017/18

The following Internal Audit was carried out on the adequacy of systems of control. The following recommendations/comments have been made:

Income: £19,336 Expenditure: £9,995 Reserves: £21,226

AGAR Part 2 Completion:

Section One: **Yes - not approved**

Section Two: **Yes - not approved**

Annual Internal Audit Report 2017/18: **Yes**

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 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 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: **11th January 2018 (Minute 10b)**
Financial Regulations in place: **Yes**
Reviewed: **11th January 2018 (Minute 10b)**

VAT reclaimed during the year: **Yes** Registered: **No**

General Power of Competence: **Yes**

Financial Regulations and Standing Orders in place. Financial Regulations have been updated to include the Public Contracts Regulations 2015.

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

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

Data Protection

The General Data Protection Regulations are changing and the new Regulations will come into force on 25 May 2018. It is likely that this will affect the way in which the Town Council handles its data. It is advised that the new Data Protection Regulations should form part of the Town Council's Risk Assessment.

Insurance was in place for the year of audit. The Risk Assessment was last reviewed on 21st March 2017, not during the audit year under review. It is noted that the Litter Pick Risk Assessment was reviewed on the 8th March 2018 (Minute 10b). Internal controls were reviewed on 11th January 2018 (Minute 10a).

Recommendation (1) *The Risk Assessment should be reviewed by councillors during each financial year.*

The Council have satisfactory internal financial controls in place. Cheque stubbs and invoices are initialled by signatories. The Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.

Fidelity Cover: £25,000

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

Transparency Code

Compliance for smaller councils with income/expenditure under £25,000.
Smaller authorities should publish on their website from 1 April 2015:

Smaller Council: Yes

Website: www.littlewoldingfield.onesuffolk.net

- a) all items of expenditure above £100
Published – Yes
- b) annual governance statement (By 1 July)
2017 Annual Return, Section One Published – Yes
- c) end of year accounts (By 1 July)
2017 Annual Return, Section Two Published – Yes
- d) internal audit report (By 1 July)
2017 Annual Return, Section Four Published – Yes
- e) list of councillor or member responsibilities
Published – Yes
- f) the details of public land and building assets (By 1 July)
Published – Yes

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- g) Minutes, agendas and meeting papers of formal meetings
Published – Yes, although meeting papers were not published for recent meetings. Please refer to https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388541/Transparency_Code_for_Smaller_Authorities.pdf

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

Precept: £8,250 (2017/2018) Date: 26th January 2017
Precept: £8,415 (2018/2019) Date: 28th November 2017

Satisfactory 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

*No Petty Cash held
A satisfactory expenses system is in place with supporting paperwork.*

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**

The Council continue to operate RTI in accordance with HMRC regulations. All supporting paperwork is in place and a P60 has been produced as part of the year end process. The Council are aware of the pension regulations and have taken the appropriate steps.

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. The total value of assets are recorded at £2,937

- Bank Reconciliation** Regularly completed and cash books reconcile with bank statements
- All were in order. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts. Bank balances as at 31st March 2018 were confirmed as:*
- *Treasurers Account £18,723.54*
 - *Business Instant £ 2,521.11*
- Reserves** General Reserves are reasonable for the activities of the Council
Earmarked Reserves are identified
- The Council have adequate general reserves and have identified earmarked reserves 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 a Receipts & Payments Basis.*
- Sole Trustee** The Council has met its responsibilities as a trustee
- The Council is not a sole trustee.*
- Internal Audit Procedures**
- The Council reviewed the effectiveness of the internal audit at a meeting held on 11th January 2018 (Minute 10a).*
- The Internal Audit report was considered by the Council at a meeting held on 16th May 2017 (Minute 17/075a).*
- Heelis & Lodge were appointed Internal Auditor at a meeting held on 16th May 2017 (Minute 17/070).*
- External Audit** *The External Auditor's report was considered by the Council at a meeting held on 5th September 2017 (Minute 17/119a).*
- The following matters were raised by the External Auditor:*
- *The External Auditor noted that 2015 / 2016 had been restated.*

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 16/5/2017, within the required timescale. 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 the quality of documentation presented in the Audit File.



Heather Heelis
Heelis & Lodge
13th May 2018