

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Heveningham Parish Council - 2018/19

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

Income: £4,687 Expenditure: £3,928 Reserves: £5,287

AGAR Completion:

Section One: [No - blank](#)

Section Two: [No - blank](#)

Annual Internal Audit Report 2018/19: [Yes](#)

Certificate of Exemption: [No - blank](#)

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 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: [27th February 2019 - Minute 76/18a](#)
Financial Regulations in place: [Yes/No](#)
Reviewed: [27th February 2019 - Minute 76/18c](#)

VAT reclaimed during the year: [No](#) Registered: [No](#)

General Power of Competence: [No](#)

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 - ZA196477 - Expiry 10th August 2019

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 (1): *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 on 27th February 2019 - Minute 76/18c. Internal controls were reviewed on 27th March 2019 - Minute 83/18c.

There is no play equipment recorded in the Asset Register.

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 within 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.heveningham.onesuffolk.net

- a) all items of expenditure above £100
Published – Yes
- b) annual governance statement (By 1 July)
2018 Annual Return, Section One Published – Yes
- c) end of year accounts (By 1 July)
2018 Annual Return, Section Two Published – Yes
- d) Certificate of Exemption
Certificate of Exemption Published - Yes

- e) internal audit report (By 1 July)
2018 Annual Return, Published – Yes
- f) notice of period for the exercise of public rights
Published – Yes
- g) list of councillor or member responsibilities
Published – Yes
- h) the details of public land and building assets (By 1 July)
Published – Yes
- i) Minutes, agendas and meeting papers of formal meetings
Published – Yes

The council meets the requirements of the Transparency Code.

Budgetary controls

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

Precept: £4,000 (2018/2019) Date: 29th November 2017 - Minute 58/17d
Precept: £4,350 (2019/2020) Date: 28th November 2018 - Minute 49/18c

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 and 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 - operated by SALC.*

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 has not joined the LGPS or NEST pension scheme.

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 are recorded at £4,991. As there is no value in Section 2, Box 9 of the AGAR, this figure cannot be verified.</i></p>
Bank Reconciliation	<p>Regularly completed and cash books reconcile with bank statements</p> <p><i>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 2019 were confirmed as:</i></p> <p><i>Community £6,027.86</i></p>
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 (£5,286).</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 are 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 Council reviewed the effectiveness of the internal audit at a meeting held on 27th March 2019 - Minute 83/18c.</i></p> <p><i>The Internal Audit report was considered by the Council at a meeting held on 23^d May 2018 - Minute 08/18c.</i></p> <p><i>Heelis & Lodge were appointed Internal Auditor at a meeting held on 23^d January 2019 - Minute 62/18a.</i></p>
External Audit	<p><i>At the meeting held on the 23rd May 2018 - Minute 08/18f, the Parish Council resolved to sign the Audit Exemption Certificate for 2017 / 2018. The criteria for signing the Audit Exemption had been met by the council.</i></p> <p><i>The Parish Council fully complied with the Exemption Certificate website publishing criteria.</i></p>
Period of Exercise of Public Rights	<p>Start Date <i>11th June 2018</i> End Date <i>20th July 2018</i></p>

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 23/05/2018, 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.



Dave Crimmin PSLCC
Heelis & Lodge
4th May 2019