

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Heveningham Parish Council – 2019/2020

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

Income: £10,469.17

Expenditure: £7,899.09

Reserves: £7,857.02

AGAR Completion:

Section One: [No blank](#)

Section Two: [No blank](#)

Annual Internal Audit Report 2019/20: [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.

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: [No](#)

Reviewed: [Was to be reviewed in March 2020 which was cancelled due to COVID-19.](#)

Financial Regulations in place: [Yes](#)

Reviewed: [25th September 2019 \(Ref: 41/19d\).](#)

At the council meeting held on the 29th January 2020 (Ref: 71/19c) it was resolved that the Clerk become a bank signatory. This does not comply with Financial Regulation 6.4 which states that cheques or orders "shall be signed by two member(s) of the council".

Recommendation (1): *To review the Financial Regulations and to consider the council's internal controls in light of the resolution to make the Clerk a bank signatory.*

Contact details : 52 Parkway, Wickham Market, Suffolk, IP13 0SS

Tel: 07732 681125

Email: heather@heelis.eu

Heather Heelis Dip HE Local Policy PILCM

Lynne Lodge Dip HE Local Policy

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.

Recommendation (2): *To ensure that VAT is reclaimed back from HMRC and minute the action taken.*

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 10 August 2020

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. The council have incorporated GDPR into its Risk Assessment.

Privacy Policy published: Yes

Insurance was in place for the year of audit. Internal Controls were reviewed at by councillors on the 21st February 2020.

There was no evidence in the minutes that the Risk Assessment has been reviewed during the year of audit.

Recommendation (3): *To ensure the annual review of the Risk Assessment is carried out during the year of audit.*

The Council have good 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

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: [Yes](#)

Website: www.heveningham.onesuffolk.net

- a) all items of expenditure above £100
Published – Yes
- b) annual governance statement (By 1 July)
2019 Annual Return, Section One Published – Yes
- c) end of year accounts (By 1 July)
2019 Annual Return, Section Two Published – Yes
- d) internal audit report (By 1 July)
2019 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
- g) minutes, agendas and meeting papers of formal meetings
Published – Yes

The Council have met the requirements of the Transparency Code for smaller councils.

Under **The Local Audit (Smaller Authorities) Regulations 2015 9(6 & 7)** a smaller council having certified itself as an Exempt Authority must publish on their website:

- h) Certificate of Exemption
Certificate of Exemption Published - Yes

Under **The Accounts & Audit Regulations 2015 15(2b)** councils must publish on their website:

- i) notice of period for the exercise of public rights
Published – Yes

Period of Exercise of Public Rights

Start Date 17th June 2019

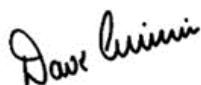
End Date 26th July 2019

Budgetary controls	<p>Verifying the budgetary process with reference to council minutes and supporting documents</p> <p>Precept: £4,350 (2019-2020) Date: 18th November 2018 (Ref: 49/18c) Precept: £4,437 (2020-2021) Date: 27th November 2019 (Ref: 56/19)</p> <p><i>Good 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.</i></p>
Income controls	<p>Precept and other income, including credit control mechanisms</p> <p><i>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.</i></p>
Petty Cash	<p>Associated books and established system in place</p> <p><i>A satisfactory expenses system is in place with supporting paperwork. No Petty Cash held.</i></p>
Payroll controls	<p>PAYE and NIC in place where necessary. Compliance with Inland Revenue procedures Records relating to contracts of employment</p> <p>PAYE System in place: Yes – SALC Payroll Service</p> <p><i>The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. 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 / NEST pension scheme.</i></p> <p><i>It is noted that the Council undertook a review of salaries at a meeting held on 27th November 2019 (Ref: 56/19).</i></p>
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 £5,735.64. Cannot compare the figure in the asset register with the figure in Section 2, Box 9 of the AGAR as this is blank.</i></p>

Bank Reconciliation	<p>Regularly completed and cash books reconcile with bank statements</p> <p><i>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.</i></p> <p><i>Reconciled Bank Balances were confirmed as:</i></p> <p><i>Barclays Community £8,011.42 as at 31st March 2020.</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 (£7,857).</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 2019 Internal Audit report was considered by the Council at a meeting held on 20th May 2019 (Ref: 11/19 a).</i></p> <p><i>A review of the effectiveness of the Internal Audit was carried out on 29th January 2020 (Ref; 71/19d).</i></p> <p><i>Heelis & Lodge were appointed as Internal Auditor at a meeting held on 29th January 2020 (Ref; 71/19d).</i></p>
External Audit	<p><i>The Council declared themselves Exempt from External audit for the 2018-2019 financial year.</i></p>

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 20/05/2019 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 her assistance during the course of the audit work
- 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

19th May 2020

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Heveningham Parish Council
Orchard House
Chediston Road
Wissett
IP19 0NF

Invoice No: HLD1021

Date: 19th May 2020

Details	Quantity	Amount (£)	Total (£)
To carry out Year-end Internal Audit for Heveningham Parish Council for the year ended 31 March 2020.	1	80.00	80.00
Total			80.00

Please make cheques payable to: Heelis & Lodge

Bank Details: Account 02539349 Sort Code 72-00-00

Terms – 30 days

Thank you.

HEELIS&LODGE

Contact details : 52 Parkway, Wickham Market, Suffolk, IP13 0SS

Tel: 07732 681125

Email: heather@heelis.eu

Heather Heelis Dip HE Local Policy PILCM

Lynne Lodge Dip HE Local Policy