

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Rushmere St Andrew 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: £178,297.23 Expenditure: £141,096.58 Reserves: £179,427.74

AGAR Completion:

Section One: **Yes – to be approved**

Section Two: **Yes – to be approved (NB Box 11 needs to be completed)**

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. 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: **8/3/2018 (Ref: 10) & 11/5/2017 (Ref: 15)**

Financial Regulations in place: **Yes**

Reviewed: **11/5/2017 (Ref: 12)**

VAT reclaimed during the year: **Yes (23/3/2017-31/3/2018)**

Registered: **No**

General Power of Competence: **No**

Financial Regulations and Standing Orders in place.

The Council reviewed the following policies at a meeting held on 8/3/2018 (Ref: 11):

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Heather Heelis Dip HE Local Policy PILCM

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- *Apologies and non-attendance of meetings*
- *Council Policy on protocols for public participation in council meetings*
- *Dispensation – policy on implementation & delegation of authority*
- *Parish Council policies on committees, advisory panels, representatives, officers and boards*
- *Parish Council policy on notice board content*
- *Policy on planning application site visits & the managing of 'simple' planning applications*
- *Equal opportunities policy*
- *Protocols for providing informal views prior to planning application submission*

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. A review of insured assets was undertaken on 8 March (Ref: 7.c). The Risk Analysis document, including Internal Controls, was reviewed on 11/5/2017 (Ref: 14).

Bank signatories were confirmed at a meeting held on 11/5/2017 (Ref: 16.g).

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: £200,000

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

Recommendation: *To review Fidelity Cover in line with 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: **No**

The Council is not subject to the requirements of the Transparency Code for smaller Councils.

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

Precept: £116,600 (2018-2019) Date: 11/1/2018 (Ref: 9)

Precept: £112,000 (2017-2018) Date: 12/1/2017 (Ref: 9)

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.

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.

Cemetery fees were reviewed at a meeting held on 29/8/2017 (Ref: 6.b). Allotment fees were reviewed at a meeting held on 10/10/2017 (Ref: 3.b)

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 P60s have 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 asset register was reviewed at a meeting held on 8/3/2018 (Ref: 7.c). The total value of assets are recorded at £129,136 which aligns with the value entered into Box 9 of Section 2 of the AGAR..

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.

At 31/3/2018 bank balances were recorded as:

<i>Barclays Current</i>	<i>£81,230.30</i>
<i>Barclays Current (Cemetery)</i>	<i>£44,782.78</i>
<i>Barclays Business Premium</i>	<i>£54,268.66</i>

Reserves

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

The Council have adequate general reserves (£54,410.37) and have identified earmarked reserves (£125,017.37) 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. All were found to be in order.

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 11/5/2017 (Ref: 17).

The 2017 Internal Audit report was considered by the Council at a meeting held on 11/5/2017 (Ref: 16.e).

Heelis & Lodge were appointed Internal Auditor at a meeting held on 11/5/2017 (Ref: 16.f)

External Audit

The External Auditor's report was considered by the Council at a meeting held on 14/9/2017 (Ref: 7.b).

There were no matters raised by the External Auditor in relation to the 2016-2017 External Audit.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 11/5/2017, 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 her assistance during the course of the audit work



Heather Heelis
Heelis & Lodge
3 May 2018