

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Rushmere St Andrew Parish Council – 2016/17

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

Income: £165,735 Expenditure: £159,772 Reserves: £142,227

Annual Return Completion:

Section One: [Yes – to be signed](#)

Section Two: [Yes – to be signed](#)

Section Four: [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: [12/5/2016 \(Ref: 15\)](#)

Financial Regulations in place: [Yes](#)

Reviewed: [12/5/2016 \(Ref: 13\)](#)

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

General Power of Competence: [No](#)

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

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Risk Assessment

Appropriate procedures in place for the activities of the council

Risk Assessment document in place: Yes

Data Protection registration: Yes

Insurance was in place for the year of audit and reviewed at a meeting held on 9/3/2017 (Ref: 7.b). The Risk Assessment was reviewed on 12/5/2016 (Ref 14).

Bank signatories were reaffirmed at a meeting held on 12/5/2016 (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 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: 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: £112,000 (2017-2018) Date: 12/1/2017 (Ref: 9)

Precept: £105,458.36 (2017-2018) Date: 14/1/2016 (Ref: 12)

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.

Allotment fees were reviewed in September 2016 (Ref: 7b). Cemetery fees were reviewed in August 2016 (Ref: 13).

Petty Cash	<p>Associated books and established system in place</p> <p><i>A satisfactory expenses system is in place with supporting paperwork.</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</p> <p><i>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 their staging date for the pension regulations and have taken the appropriate steps (Ref: 10/11/2016 – item 6.b).</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 £119,438.</i></p> <p><i>The asset register was reviewed on 9/3/2017 (Ref: 7.b).</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. Interest is no longer received on the Business Premium account 5 December 2016. Barclays have indicated at other Councils that statements may only be sent annually on accounts that have no transactions.</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 Receipts and Payments Basis. All were found to be in order.</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 12/5/2016 (Ref: 17). An audit plan is in place.</i></p> <p><i>The Internal Audit report was considered by the Council at a meeting held on 12/5/2016 (Ref: 16.e).</i></p>

Heelis & Lodge were appointed Internal Auditor at a meeting held on 16/5/2016 (Ref: 16.f).

External Audit

The External Auditor's report was considered by the Council at a meeting held on 8/9/2016 (Ref: 7.b).

The following matters were raised by the External Auditor:

To revalue the 'gifted' play areas with a community value of £1.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 12/5/2016, 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 his assistance during the course of the audit work



**Heather Heelis
Heelis & Lodge**

27 April 2017