

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Rushmere St Andrew 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: £183,618.10 Expenditure: £137,531.43 Reserves: £225,514.41

AGAR Completion:

Section One: [Yes – to be signed](#)

Section Two: [Yes – to be signed](#)

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

Certificate of Exemption: [No](#)

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: [10/5/2018 \(Ref: 16\)](#)

Financial Regulations in place: [Yes](#)

Reviewed: [14/3/2019 \(Ref: 6.d\)](#)

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

General Power of Competence: [No](#)

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

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Heather Heelis Dip HE Local Policy PILCM

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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 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 Parish Council handles its data. It is noted that, due to the financial risk associated with the new Data Protection Regulations, the Council have identified this risk, which now forms part of the Parish Council's Risk Assessment.

Privacy Policy published: Yes

In addition to the above, the Council has published its Data Protection Policy and Data Protection Policy in relation to GDPR.

Bank signatories were confirmed at a meeting held on 10/5/2018 (Ref: 18.g).

Insurance was in place for the year of audit. The Risk Assessment, including Internal Controls was reviewed on 10/5/2018 (Ref: 15) and again on 14/3/2019 (Ref:12).

The Council have a comprehensive suite of policies in place.

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: £250,000

The level of Fidelity cover has been increased was within the recommended guidelines of year end balances plus 50% of the precept for the 2018-2019 financial year. Moving forward to 2019-2020, the level of year end reserves have increased and the level has fallen just below the recommended guidelines.

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

Website: www.rushmerestandrew.onesuffolk.net

The Council is not subject to the requirements of the Transparency Code for smaller Councils. The Transparency Code for Councils with a turnover exceeding £200,000 is not covered as part of the Internal Audit.

Budgetary controls

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

Precept: £120,000 (2019-2020) Date: 10/1/2019 (Ref: 9)

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

2019-2010 Cemetery fees were reviewed at a meeting held on 4/9/2018 (Ref: 6.b).

2018-2019 Allotment fees were reviewed at a meeting held on 24/8/2017 (Ref: 10).

Petty Cash

Associated books and established system in place

A satisfactory expenses system is in place with supporting paperwork. No petty cash is held.

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 have joined the NEST pension scheme. Whilst pension, NI and Tax calculations fall outside of the remit of the audit, it is suggested that the Council may wish to confirm the 'pensionable earnings' figure used.

Recommendation: *To confirm with NEST that the correct 'pensionable earnings' figure is being used in the pension contribution schedule.*

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 and was reviewed at a meeting held on 14/3/2019 (Ref: 6.b). Values are recorded at cost value. The total value of assets are recorded at £129,761.</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>Bank balances at the bank at 31/3/2019 were confirmed as:</i></p> <table border="0"> <tr> <td><i>Barclays</i></td> <td><i>Current a/c No.1</i></td> <td><i>£108,289.72</i></td> </tr> <tr> <td><i>Barclays</i></td> <td><i>Current a/c No.2</i></td> <td><i>£65,205.77</i></td> </tr> <tr> <td><i>Barclays</i></td> <td><i>Business Savings a/c</i></td> <td><i>£54,376.98</i></td> </tr> </table>	<i>Barclays</i>	<i>Current a/c No.1</i>	<i>£108,289.72</i>	<i>Barclays</i>	<i>Current a/c No.2</i>	<i>£65,205.77</i>	<i>Barclays</i>	<i>Business Savings a/c</i>	<i>£54,376.98</i>
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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 (£55,180) and have identified earmarked reserves (£170,334.04) in their year end accounts.</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. 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 10/5/2018 (Ref: 18.f and 19). An Audit Plan is in place.</i></p> <p><i>The Internal Audit report was considered by the Council at a meeting held on 10/5/2018 (Ref: 18.e).</i></p> <p><i>Heelis & Lodge were appointed Internal Auditor at a meeting held on 10/5/2018 (Ref: 18.f).</i></p>									

External Audit

The External Auditor's report was considered by the Council at a meeting held on 13/9/2018 (Ref: 6.b).

There were no matters raised by the External Auditor in relation to the 2017-2018 External Audit.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 10/5/2018, 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 her assistance during the course of the audit work



Heather Heelis
Heelis & Lodge
17 April 2019

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Rushmere St Andrew Parish Council
Parish Office
Tower Hall
5 Broadlands Way
Rushmere St Andrew
Ipswich IP4 5SU

Invoice No: HL9015

Date: 17 April 2019

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for Rushmere St Andrew Parish Council for the year ended 31 March 2019	1	215.00	215.00
Total			215.00

Please make cheques payable to: Heelis & Lodge

Terms – 30 days

Thank you.

HEELIS&LODGE

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