

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Friston 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: £18,370 Expenditure: £11,849 Reserves: £21,793

AGAR Completion:

Section One: Yes – signed & dated.

Section Two: Yes – signed & dated. However, for 2019 Boxes 4+5+6 do not equal the Total Payments and Box 7 & 8 do not equal the Bank Reconciliation.

Annual Internal Audit Report 2018/19: Yes

Certificate of Exemption: Yes – signed & dated.

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: 25th March 2019 Minute 51/19
Financial Regulations in place: Yes
Reviewed: 25th March 2019 Minute 51/19

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 ZA196473 – 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 18th February 2019 Minute 28/19. Internal controls were reviewed on 18th February 2019 Minute 28/19.

The annual RoSPA inspection has been undertaken on the play area.

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: £150,000

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.friston.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 have met the requirements of the Transparency Code.

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

Precept: £7,250 (2018/2019) Date: 8th January 2018 Minute 94/17b

Precept: £7,500 (2019/2020) Date: 7th January 2019 Minute 6/19

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

A satisfactory expenses system is in place with supporting paperwork.

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

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 – Serviced by SALC</p> <p><i>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.</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 £39,076. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.</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> <table> <tr> <td><i>Barclays Community</i></td><td><i>£9,194.67</i></td></tr> <tr> <td><i>Barclays Premium</i></td><td><i>£8,230.19</i></td></tr> <tr> <td><i>Ipswich BS</i></td><td><i>£5,368.35</i></td></tr> </table>	<i>Barclays Community</i>	<i>£9,194.67</i>	<i>Barclays Premium</i>	<i>£8,230.19</i>	<i>Ipswich BS</i>	<i>£5,368.35</i>
<i>Barclays Community</i>	<i>£9,194.67</i>						
<i>Barclays Premium</i>	<i>£8,230.19</i>						
<i>Ipswich BS</i>	<i>£5,368.35</i>						
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 (£21,683) and have identified earmarked reserves (£100) in addition to potential CIL expenditure in their budgetary process.</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

The Council reviewed the effectiveness of the internal audit at a meeting held on 21st May 2018 Minute 033/18.

The Internal Audit report was considered by the Council at a meeting held on 21st May 2018 Minute 033/18.

Heelis & Lodge were not appointed as the Internal Auditor at a meeting held during the Audit year.

Recommendation (2): *It is a requirement to appoint the Internal Auditor and record the decision in the minutes of the meeting.*

External Audit

At the meeting held on the 21st May 2018 Minute 035/18, 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.

The Parish Council fully complied with the Exemption Certificate website publishing criteria.

Period of Exercise of Public Rights

Start Date *11th June 2018* End Date *20th July 2018*

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 21/05/2018, 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 and her assistance during the course of the audit work.



Dave Crimmin PSLCC
Heelis & Lodge
6th June 2019