

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Ingateston & Fryerning 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: £220,240 Expenditure: £129,071 Reserves: £319.866

AGAR Completion:

Section One: [Yes – to be approved](#)

Section Two: [Yes – to be approved](#)

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. VAT payments are tracked and identified within the year end accounts. LGAs137 is not used as the Council have the General Power of Competence. The cashbook is referenced providing a clear audit trail. Supporting paperwork is in place and well referenced. The Clerk keeps good records providing a clear audit trail.

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: [8/5/2017 \(Ref: FC17/087\)](#)
Financial Regulations in place: [Yes](#)
Reviewed: [8/5/2017 \(Ref: FC17/089\)](#)

VAT reclaimed during the year: [Yes \(quarterly\)](#) Registered: [Yes](#)

General Power of Competence: [Yes](#)

Financial Regulations and Standing Orders in place and are reviewed annually to take into account any change in legislation.

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

Tenders exceeding the £25,000 threshold have been advertised on the Contract Finders website. There has been one tender during the year relating to the refurbishment of the pavilion.

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. It is noted that the Council has started to prepare for the introduction of the GDPR, which will be overseen by the Policy & Resources Committee.

Insurance was in place for the year of audit. The Risk Assessment, including Internal Controls was not reviewed during the year of audit. It is noted that this was an oversight and the review is due to be undertaken on 10/5/2018.

The Annual RoSPA inspection has been undertaken on play area equipment.

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: £190,000

The level of Fidelity cover is 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.

The Transparency Code for larger Councils (those over £200,000) does not form part of the Internal Audit.

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

Budgetary controls

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

Precept: £156,100 (2017-2018)

Date: 5/1/2017 (Ref: FC17/012)

Precept: £165,466 (2018-2019)

Date: 11/1/2018 (Ref: FC18/009)

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.

Fees were reviewed on 12/6/2017 (Ref: CE17/078).

A clear audit trail is in place from receipt book to bank statement and cash book.

Petty Cash

Associated books and established system in place

A satisfactory petty cash system is in place with supporting paperwork. Petty cash transactions were examined for the period April 2017 – 31 March 2018. Monthly reconciliations are undertaken and all were found to be in order.

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

Payroll is outsourced. 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 part of the LGPS.

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 total value of assets are recorded at £183,672.59.

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.</i></p> <p><i>Bank balances were confirmed at the year end as:</i></p> <table border="0"> <tr> <td><i>Nationwide BS</i></td> <td><i>£85,000.00</i></td> </tr> <tr> <td><i>Saffron BS</i></td> <td><i>£85,000.00</i></td> </tr> <tr> <td><i>Yorkshire BS</i></td> <td><i>£85,483.46</i></td> </tr> <tr> <td><i>Youth Council</i></td> <td><i>£1,840.53</i></td> </tr> <tr> <td></td> <td><i>(Funds currently being transferred and the account to be closed)</i></td> </tr> <tr> <td><i>Unity Trust</i></td> <td><i>£64,305.13</i></td> </tr> <tr> <td><i>Barclays Current</i></td> <td><i>(Closed – 25/10/2017)</i></td> </tr> </table>	<i>Nationwide BS</i>	<i>£85,000.00</i>	<i>Saffron BS</i>	<i>£85,000.00</i>	<i>Yorkshire BS</i>	<i>£85,483.46</i>	<i>Youth Council</i>	<i>£1,840.53</i>		<i>(Funds currently being transferred and the account to be closed)</i>	<i>Unity Trust</i>	<i>£64,305.13</i>	<i>Barclays Current</i>	<i>(Closed – 25/10/2017)</i>
<i>Nationwide BS</i>	<i>£85,000.00</i>														
<i>Saffron BS</i>	<i>£85,000.00</i>														
<i>Yorkshire BS</i>	<i>£85,483.46</i>														
<i>Youth Council</i>	<i>£1,840.53</i>														
	<i>(Funds currently being transferred and the account to be closed)</i>														
<i>Unity Trust</i>	<i>£64,305.13</i>														
<i>Barclays Current</i>	<i>(Closed – 25/10/2017)</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 and have identified earmarked reserves 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 an Income & Expenditure Basis. Creditors and Debtors are identified</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 8/5/2017 (Ref: FC17/103).</i></p> <p><i>The Internal Audit report was considered by the Council at a meeting held on 1/6/2017 (Ref: FC17/103).</i></p> <p><i>Heelis & Lodge were appointed Internal Auditor at a meeting held on 19/3/2018 (Ref: PR18/040).</i></p>														
External Audit	<p><i>The External Auditor's report was considered by the Council at a meeting held on 18/9/2017 (Ref: PR17/136).</i></p>														

The following matters were raised by the External Auditor:

- *Transcription error*
- *Restatement of accounts from R&P to I&E*

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 8/5/2017, 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 and the well presented documents for audit.



Heather Heelis
Heelis & Lodge
2 May 2018