

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Thrandeston 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: £3,770 Expenditure: £2,924 Reserves: £6,306

AGAR Part 2 Completion:

Section One: **Yes - Completed - not approved**

Section Two: **No**

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. No LGAs137 payments made during the year of audit 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: **6th March 2017**

Financial Regulations in place: **Yes**

Reviewed: **6th March 2017**

VAT reclaimed during the year: **Yes** Registered: **No**

General Power of Competence: **No**

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

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

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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 - Z3096937 - Expiry 06/03/2019

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. The Risk Assessment was not reviewed during the year of audit. Internal controls were not reviewed during the year of audit.

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: £25,000
The level of Fidelity cover is within the recommended guidelines of year end balances plus 50% of the precept.

Recommendation (1): *It is a requirement for the council to carry out an assessment of risks and to review internal controls during the year of audit.*

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.thrandeston.onesuffolk.net

- a) all items of expenditure above £100
Published – Yes
 - b) annual governance statement (By 1 July)
2017 Annual Return, Section One Published – Yes
 - c) end of year accounts (By 1 July)
2017 Annual Return, Section Two Published – Yes
 - d) internal audit report (By 1 July)
2017 Annual Return, Section Four Published – Yes
 - e) list of councillor or member responsibilities
Published – Yes
 - f) the details of public land and building assets (By 1 July)
Published – Yes
 - g) Minutes, agendas and meeting papers of formal meetings
Published – Yes
- The council meets the requirements of the Transparency Code.*

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

Precept: £2,600 (2017/2018) Date: 23rd January 2017 (Minute 9c)

Precept: £2,500 (2018/2019) Date: 15th January 2018 (Minute 10b).

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.

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 - undertaken by Anglia Book-Keeping

The Council continue to operate RTI in accordance with HMRC regulations. All supporting paperwork is in place but P45 and P60 have not been copied in the Audit File. The Council are aware of the pension regulations and have taken the appropriate steps.

Recommendation (2): Copies of P45 (where appropriate) and P60 to be maintained in Audit File as part of year-end process.

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 £3,170 as at April 2016.

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 2018 were confirmed as:</i></p> <p><i>Barclays Community Account £6,306.03</i></p>
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.</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	<p><i>The Council reviewed the effectiveness of the internal audit at a meeting held on 4th July 2017 (Minute 10).</i></p> <p><i>The Internal Audit report was considered by the Council at a meeting held on 4th July 2017 (Minute 10).</i></p> <p><i>Heelis & Lodge were not appointed Internal Auditor during the year of audit.</i></p> <p><i>Recommendation (3):</i> <i>It is a requirement to appoint the Internal Auditor and record the decision in the minutes of the meeting.</i></p>
External Audit	<p><i>The External Auditor's report was considered by the Council at a meeting held on 4th September 2017 (Minute 9.).</i></p> <p><i>There were no matters raised by the External Auditor in relation to the 2016-2017 External Audit.</i></p>

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 02/05/2017, 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 the quality of documentation presented in the Audit File.

Dave Crimmin

Dave Crimmin PSLCC

Heelis & Lodge

5th July 2018