

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Trandeston 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: £6,121 Expenditure: £3,372 Reserves: £9,056

AGAR Completion:

Section One: No - blank

Section Two: Yes – but not signed or dated. The column for the year-ending 31st March 2018 should be RE-STATED in regard to the written off cheque. Boxes 7 and 8 for the year-ending 31st March 2019 need to be changed from £9,206 to £9,056 to agree with the bank reconciliation.

Annual Internal Audit Report 2018/19: Yes

Certificate of Exemption: Yes – but not signed or 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: 2nd July 2018 Minute 12c

Financial Regulations in place: Yes

Reviewed: 2nd July 2018 Minute 12d

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 – Z3096937 – Expiry 06/03/2020

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 2nd July 2018 Minute 12b. Internal controls were reviewed on 2nd July 2018 Minute 12e.

There is no play equipment on the asset register.

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.

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.trandeston.onesuffolk.net

- a) all items of expenditure above £100
Published – Yes within minutes
- 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 – as at April 2016
- i) Minutes, agendas and meeting papers of formal meetings
Published – Yes

The council meets the requirements of the Transparency Code.

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

Precept: £2,500 (2018/2019) Date: 15th January 2018 Minute 10b
Precept: £2,500 (2019/2020) Date: 7th January 2019 Minute 12c.

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.

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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 – PAYE Tools

The Council continue to operate RTI in accordance with HMRC regulations despite technical issues in the operation of PAYE Tools. Supporting paperwork is in place except a P60 which has not been produced as part of the year end process. The Council has not joined the LGPS or NEST pension scheme.

Recommendation (2): Copy of 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 £2,815. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.

Bank Reconciliation

Regularly completed and cash books reconcile with bank statements

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:

Community £9,205.11 (as at 29th March 2019)

Reserves

General Reserves are reasonable for the activities of the Council
Earmarked Reserves are identified

The Council have adequate general reserves (£9,055).

Recommendation (3): The council should review whether Earmarked reserves need to be established.

Year-end procedures

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.

End of year accounts are prepared on a Receipts & Payments Basis.

Sole Trustee

The Council has met its responsibilities as a trustee

The Council is not a sole trustee.

Internal Audit Procedures

The Council reviewed the effectiveness of the internal audit at a meeting held on 2nd July 2018 Minute 12e.

The Internal Audit report was considered by the Council at a meeting held on 3rd September 2018 Minute 10bi.

Recommendation (4): *When applicable, the council's response to the Internal Audit recommendations should be contained in the minutes of the meeting.*

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

Recommendation (5): *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 9th May 2018 Minute 12b, 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 *30th July 2018* End Date *7th September 2018*

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 09/05/2018, 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.



Dave Crimmin PSLCC
Heelis & Lodge
24th June 2019

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