

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Stonham Aspal 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: £18,405      Expenditure: £6,209      Reserves: £25,156

### AGAR Completion:

Section One: Yes - signed & dated

Section Two: Yes - signed & dated

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: 17<sup>th</sup> October 2017 Minute 9b  
Financial Regulations in place: Yes/No  
Reviewed: 17<sup>th</sup> October 2017 Minute 9b

The council has not undertaken a review of the Standing Orders or Financial Regulations during the year of Audit.

***Recommendation (1):*** *The council to review Standing Orders and Financial Regulations annually and minute the action taken.*

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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## 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 – ZA258524 - Expiry 2<sup>nd</sup> July 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 (2):** *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 18<sup>th</sup> September 2018 Minute 8b. Internal controls were reviewed on 18<sup>th</sup> September 2018 Minute 8d.*

*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: £25,000

*The level of Fidelity cover is just below the recommended guidelines of year end balances plus 50% of the precept.*

**Recommendation (3):** *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: [Yes](#)

Website: [www.stonhamaspal.onesuffolk.net](http://www.stonhamaspal.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 meets the requirements of the Transparency Code.*

## Budgetary controls

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

Precept: £7,000 (2018/2019) Date: 21<sup>st</sup> November 2017 Minute 7d

Precept: £7,000 (2019/2020) Date: 15<sup>th</sup> January 2019 Minute 19.10.4

*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 - Ladywell Accountancy Services

*The Council continue to operate RTI in accordance with HMRC regulations. All 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 (4):** Copy of P60 to be maintained in Audit File as part of year-end process.

*At the meeting held on 19<sup>th</sup> June 2018 Minute Finance b the Clerk's SCP was increased to 20 from the 20<sup>th</sup> September 2018.*

## 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 £39,032. 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 31<sup>st</sup> March 2019 were confirmed as:*

<i>Community</i>	<i>£17,430.69</i>
<i>Premium</i>	<i>£ 7,876.62</i>

## Reserves

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

*The Council have adequate general reserves (£3,000) and have identified earmarked reserves (£22,156) in their year-end accounts*

## 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.*

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## Internal Audit Procedures

*The Council reviewed the effectiveness of the internal audit at a meeting held on 18<sup>th</sup> September 2018 Minute 8d.*

*The Internal Audit report was considered by the Council at a meeting held on 15<sup>th</sup> May 2018 Minute 8e and the 18<sup>th</sup> September 2018 Minute 7f.*

**Recommendation (5):** *When applicable, the council's response to the Internal Audit recommendations should be contained in the minutes of the meeting.*

*Heelis & Lodge were appointed Internal Auditor at a meeting held on 19<sup>th</sup> February 2019 Minute 19.22.4 and 19<sup>th</sup> March 2019 Minute 19.34.5.*

## External Audit

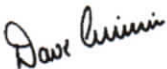
*At the meeting held on the 15<sup>th</sup> May 2018 Minute 8g, the Parish Council resolved to sign the Audit Exemption Certificate for 2017 / 2018. The criteria for signing the Audit Exemption had been met by the council.*

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

**Period of Exercise of Public Rights**      Start Date *4<sup>th</sup> June 2018*      End Date *13<sup>th</sup> July 2018*

## Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 15/05/2018, 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**  
21<sup>st</sup> June 2019

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