

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Great Bricett Parish Council – 2016/17

The following Internal Audit was carried out on the adequacy of systems of control. The following recommendations/comments have been made:

Income: £10,246.14 Expenditure: £9,528.47 Reserves: £16,313.46

Annual Return Completion:

Section One: Yes - signed

Section Two: Yes - signed

Section Four: 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. 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: 22/3/2016

Financial Regulations in place: Yes

Reviewed: 22/3/2016

VAT reclaimed during the year: Yes (1/1/2016 – 31/12/2016)

Registered: No

General Power of Competence: No

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

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Risk Assessment

Appropriate procedures in place for the activities of the council

Risk Assessment document in place: Yes

Data Protection registration: Yes

Insurance was in place for the year of audit. The Risk Assessment was reviewed on 22/3/2016. The review of Internal Controls was carried out on 22/3//2016.

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.

Recommendation: *A Risk Assessment is in place for 2016-2017, however the document doesn't appear to have been formally reviewed during the year. The Council should ensure that the Risk Assessment is reviewed prior to 31 March in the year of audit.*

Fidelity Cover: £25,000

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

Budgetary controls

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

Precept: £9,500 (2016-2017) Date: 26/1/2016

Precept: £9,750 (2017-2018) Date: 24/1/2017

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

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

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PAYE System in place: Yes

The Council continue to operate RTI in accordance with HMRC regulations. The Council are aware of their staging date for the pension regulations and have taken the appropriate steps.

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 £150,697.

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.

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 22/3/2016.

The 2016 Internal Audit report was considered by the Council at a meeting held on 26/7/2016.

Heelis & Lodge were appointed Internal Auditor at a meeting held on 22/3/2016.

External Audit

The External Auditor's report was considered by the Council at a meeting held on 27/9/2016.

There were no matters of significance raised by the External Auditor in relation to the 2015-2016 External Audit.

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Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 24/5/2016, 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



Heather Heelis
Heelis & Lodge
17/7/2017

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