

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Great Bricett Parish Council – 2014/15

Receipts: £8,215.52

Payments: £3,957.39

Reserves: £13,119.30

Annual Return Completion:

Section One: *Yes (Minute reference to be added)*

Section Two: *Yes (Minute reference to be added)*

Section Four: *Yes, completed by the Internal Auditor*

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

Proper book-keeping Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

All was found to be in good order. The Cash Book is very well referenced and provides a clear audit trail. Supporting paperwork is in place and well referenced. LGA 1972 s137 and VAT payments are tracked and identified within the year end accounts.

A sample of transactions was closely examined and all were found to be in order.

All documents were very well presented for the review by Internal Audit.

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

Financial Regulations in place: *Yes, reviewed by the Council at its meeting on 23 March 2015 (Minute GBPC039/15 iii refers).*

Standing Orders in place: *Yes, revised Standing Orders were adopted by the Council on 27 May 2014 (Minute GBPC52/14 refers).*

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VAT reclaimed during the year: *A claim was submitted on 1 July 2013 and reimbursement received at bank on 15 July 2013. A claim was not submitted during 2014/15 as the VAT paid was less than £100.*

Adoption of the General Power of Competence: *Yes, the Council's eligibility for General Power of Competence was reported upon at the Council's meeting on 24 July 2012; it was agreed that the two criteria were met (viz. two thirds of councillors elected at the last ordinary election and the Clerk's relevant qualification) and that the Council would adopt the Power.*

Data Protection registration: *Yes, Registration Number ZA048090, which expires on 29 May 2016.*

Code of Conduct: *The revised Suffolk Local Code of Conduct was adopted by the Council at its meeting on 22 July 2014 (Minute GBPC069/14 refers).*

Minutes of Council meetings: *These are well presented and provide a clear record of Council's decisions.*

Risk Assessment

Appropriate procedures in place for the activities of the council

Risk Assessment document in place: *Yes, the Financial Risk Assessment and Management documentation was reviewed by the Council at its meeting on 23 March 2015 (Minute GBPC039/15 v refers).*

Insurance was in place for the year of audit. The level of Fidelity Guarantee (Employee Dishonesty) cover is £25,000 which meets the current 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 2014/15: *£7,964* Date: *28 January 2014 (Minute GBPC012/14 iv refers).*

Precept 2015/16: *£7,964* Date: *27 January 2015 (Minute GBPC013/15 vi refers).*

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 is 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.

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Income controls	<p>Precept and other income, including credit control mechanisms</p> <p><i>All were found to be in order. Income controls were checked and income received and banked cross referenced on a sample basis with the Cash Book and bank statements.</i></p>
Petty Cash	<p>Associated books and established system in place</p> <p><i>Petty Cash is not held; an expenses system is in place with supporting paperwork.</i></p>
Payroll controls	<p>PAYE and NIC in place where necessary. Compliance with Inland Revenue procedures Records relating to contracts of employment</p> <p>PAYE System in place: <i>Yes, the Council is operating Real Time Information in accordance with HMRC regulations. Detailed pay slips are produced.</i></p>
Asset control	<p>Inspection of asset register and checks on existence of assets Cross checking on insurance cover</p> <p><i>An Asset Register is in place. Current requirements provide that each asset should be recorded at its original purchase cost or where the original purchase price is unknown a current value is recorded, which acts as a proxy for the original cost and will remain unchanged until disposal. The total of assets recorded as at 31 March 2015 is £144,697 and is unchanged from the end of the previous year.</i></p>
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>
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 and Payments basis and were all in order. Sample audit trails were undertaken and all were found to be in order.</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>

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Internal Audit Procedures

The Council has satisfactory internal financial controls in place. Cheque stubs 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.

The Council reviewed the effectiveness of the internal audit at a meeting held on 23 March 2015 (Minute GBPC039/15 iv refers) when Heelis & Lodge were re-appointed as the Council's Internal Auditors. An Audit Plan is in place.

Additional Comments

- *The Annual Parish Council meeting was held on 27 May 2014, within the required timescale. The first item of business was the Election of Chairman, in accordance with Standing Orders.*
- *I would like to record my appreciation to the Clerk to the Council for her assistance during the course of the audit work.*

Trevor Brown
Heelis & Lodge

29 May 2015

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