

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Great Bricett 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:

Receipts: £9,996.12

Payments: £8,344.55

Reserves: £17,965.03

AGAR Completion:

Section One: Yes (to be signed/dated)

Section Two: Yes (to be signed/dated)

Annual Internal Audit Report 2017/18: Yes

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

The Cashbook Spreadsheet was found to be in good order. LGA Sect 137 and VAT payments are tracked and identified within the year end accounts. The Cashbook Spreadsheet is referenced and provides 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: 25 April 2017
Financial Regulations in place: Yes
Reviewed: 25 April 2017

VAT reclaimed during the year: Yes Registered: No

General Power of Competence: No

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

There was no record of any 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

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 and internal controls were reviewed on 25/4/2017.

The Council have satisfactory internal financial controls in place. Cheque counterfoils and invoices are initialled by cheque signatories. The Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.

Employee Dishonesty (Fidelity Guarantee) Cover: £25,000

The level of Fidelity Guarantee 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: <http://greatbricett.onesuffolk.net/great-bricett-parish-council/>

- a) all items of expenditure above £100
Published – not located on website
- b) annual governance statement (By 1 July)
2017 Annual Return, Section One Published – No
- c) end of year accounts (By 1 July)
2017 Annual Return, Section Two Published – No
- d) internal audit report (By 1 July)
2017 Annual Return, Published – No
- e) list of councillor or member responsibilities
Published – not located on website
- 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

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The Council has yet to fully meet the requirements of the Transparency Code. Guidance on documents that need to be published can be found on:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388541/Transparency_Code_for_Smaller_Authorities.pdf

Recommendation: To comply with the requirements of the Transparency Code in accordance with the above guidance.

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

Precept 2017/18: £9,750

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 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. Budgets are monitored during the year.

Income controls Precept and other income, including credit control mechanisms

Income controls were checked on a test-check basis and income received/banked was cross referenced with the Cash Book and bank statements on a sample basis.

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

PAYE System in place: Yes

The Council operates a salary system in-house. Supporting paperwork is in place. No PAYE or NI payments were made to HMRC in the year of account.

Asset control	<p>Inspection of asset register and checks on existence of assets Cross checking on insurance cover</p> <p><i>A separate asset register is in place. Values are recorded at cost value. The total value of assets is recorded at £150,697 (unchanged from the value at the end of the previous financial year). In this respect, the Council's attention is drawn to the issue raised by the External Auditor in the report dated 28/9/17 (that the Council had acquired an asset at nil cost to the authority but had given the asset a value in box 9 of the Annual Return) in order to ensure that this matter is not repeated in the 2017/18 year.</i></p>
Bank Reconciliation	<p>Regularly completed and cash books reconcile with bank statements</p> <p><i>The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts.</i></p>
Reserves	<p>General Reserves are reasonable for the activities of the Council Earmarked Reserves are identified</p> <p><i>The Council has 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. Sample checks were made and 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>
Internal Audit Procedures	<p><i>The Internal Audit report for the previous year (2016/17) was considered by the Council at the meeting held on 25 July 2017. The Council reviewed the effectiveness of the internal audit at a meeting held on 25 March 2018, when Heelis & Lodge was re-appointed as Internal Auditor.</i></p>
External Audit	<p><i>The External Auditor's report for the previous year (2016/17) was considered by the Council at a meeting held on 28 November 2017. The following matters were raised by the External Auditor:</i></p> <ul style="list-style-type: none"> <i>a) The Council had acquired an asset at nil cost to the authority but had given the asset a value in box 9 of the Annual Return.</i> <i>b) Standard information, including bank reconciliation and explanation of variances, had not been supplied with the initial submission.</i> <i>c) The Council had not Minuted its review of the effectiveness of internal controls and arrangements for the management of risk.</i>

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 23/5/2017, within the required timescale. The first item of business was the Election of Chairman, in accordance with the Local Government Act 1972.
- 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.

Trevor Brown

Trevor Brown

For Heelis & Lodge

13 April 2018