

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Levington & Stratton Hall 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: £23,950 Expenditure: £8,093 Reserves: £25,451

AGAR Completion:

Section One: [No - blank](#)

Section Two: [No - blank](#)

Annual Internal Audit Report 2018/19: [Yes](#)

Certificate of Exemption: [No - blank](#)

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 an audit trail. Supporting paperwork is in place.

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: [10th May 2018 Minute 10](#) and [16th January 2019 Minute 8](#).
Financial Regulations in place: [Yes](#)
Reviewed: [10th May 2018 Minute 10](#)

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.

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 – ZA065556 Expiry 12 August 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 (1): *To include reference to GDPR in the Council's Risk Assessment.*

Privacy Policy published: *No*

Insurance was in place for the year of audit. The Risk Assessment was reviewed on 10th May 2018 Minute 10. Internal controls were reviewed on 10th May 2018 Minute 10.

No play equipment listed in 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: Unable to verify the Fidelity Cover as only Employers Liability Certificate included in Audit File.

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.levingtonandstrattonhall.onesuffolk.net

- a) all items of expenditure above £100
Published – Yes in minutes
- b) annual governance statement (By 1 July)
2018 Annual Return, Section One Published – No
- c) end of year accounts (By 1 July)
2018 Annual Return, Section Two Published – No
- d) Certificate of Exemption or external audit report
2018 Annual Return, Section Three Published – No
- e) internal audit report (By 1 July)
2018 Annual Return, Published – No
- f) notice of period for the exercise of public rights
Published – No
- g) list of councillor or member responsibilities
Published – Yes
- h) the details of public land and building assets (By 1 July)
Published – No
- i) Minutes, agendas and meeting papers of formal meetings
Published – Yes

The Council have yet to 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 (2): *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: £7,650 (2018/2019) Date: 17th January 2018 Minute 5
Precept: £8,759 (2019/2020) Date: 16th January 2019 Minute 9f

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	<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 with the Cash Book and bank statements.</i></p>
Petty Cash	<p>Associated books and established system in place</p> <p><i>No Petty Cash held</i> <i>A satisfactory 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: Yes – SALC Service</p> <p><i>The Council continue to operate RTI in accordance with HMRC regulations. All supporting paperwork is in place but a P60 has not been produced as part of the year end process. The Council has not joined the LGPS or NEST pension scheme.</i></p> <p><i>The Clerk was appointed at the meeting held on 5th September 2018 Minute 8. An increase to the hourly rate was agreed at the meeting held on 16th January 2019 Minute 9f.</i></p> <p><i>Recommendation (3):</i> <i>Copy of P60 to be maintained in Audit File as part of year-end process.</i></p>
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 are recorded at £10,767. Unable to verify that the figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR, as Section 2 is blank.</i></p>

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 as follows:

<i>At Bank 31/3/2019</i>	<i>£26,560.27</i>	
<i>Less unrepresented chqs</i>	<i>£ <u>1,109.01</u></i>	
		<i>£25,451.26</i>

<i>At Bank 1/4/18</i>	<i>£ 9,594.30</i>	
<i>Plus Receipts</i>	<i>£23,950.36</i>	
<i>Less Payments</i>	<i>£ <u>8,093.40</u></i>	
		<i>£25,451.26</i>

Bank balances as at 31st March 2019 were confirmed as:

<i>Community</i>	<i>£19,473.29</i>
<i>Business Premium</i>	<i>£ 7,086.98</i>

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

The Council have adequate general reserves of £25,451.

Recommendation (4): *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 5th September 2018 Minute 9f.

The Internal Audit report was considered by the Council at a meeting held on 5th September 2018 Minute 9f.

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

The External Auditor's report was considered by the Council at a meeting held on 5th September 2018 Minute 9g.

The following matters were raised by the External Auditor:

Comment on the length of time that the public notice should be made. The councillors noted this for future reference.

Period of Exercise of Public Rights Start Date *18th June 2018* End Date *17th July 2018*

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 10/5/2018, 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 her assistance during the course of the audit work.



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29th August 2019

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