

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Huntingfield 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: £7,751      Expenditure: £6,098      Reserves: £25,823

### 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 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: [9<sup>th</sup> January 2019 - Minute 18/71](#)  
Financial Regulations in place: [Yes](#)  
Reviewed: [9<sup>th</sup> January 2019 - Minute 18/71](#)

VAT reclaimed during the year: [No](#)                      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 - ZA059351 - Expiry 17<sup>th</sup> August 2018

### **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. The council has updated its Risk Assessment to include GDPR.*

Privacy Policy published: Yes

*Insurance was in place for the year of audit. The Risk Assessment was reviewed on 9<sup>th</sup> January 2019 - Minute 18/71. Internal controls were reviewed on 13<sup>th</sup> March 2019 - Minute 18/82 f.*

*There is no record that an annual 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: £150,000

*The level of Fidelity 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: No

Website: [www.huntingfield.onesuffolk.net](http://www.huntingfield.onesuffolk.net)

*The Council was not subject to the requirements of the Transparency Code for smaller Councils in 2017 / 2018 but will be in this year of Audit.*

<b>Budgetary controls</b>	<p>Verifying the budgetary process with reference to council minutes and supporting documents</p> <p>Precept: £6,000 (2018/2019) Date: 8<sup>th</sup> November 2017 - Minute 17/18e  Precept: £6,180 (2019/2020) Date: 14<sup>th</sup> November 2018 - Minute 18/58 and 9<sup>th</sup> January 2019 - Minute 18/70.</p> <p><i>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.</i></p>
<b>Income controls</b>	<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>
<b>Petty Cash</b>	<p>Associated books and established system in place</p> <p><i>No Petty Cash held  A satisfactory expenses system is in place with supporting paperwork.</i></p>
<b>Payroll controls</b>	<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: <b>Yes</b></p> <p><i>The Council continue to operate RTI in accordance with HMRC regulations. All supporting paperwork is in place and a P60 has been produced as part of the year end process. The Council has not joined the LGPS or NEST pension scheme.</i></p>
<b>Asset control</b>	<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 £661,603. As there are no values in Section 2, Box 9 of the AGAR then it is not possible to compare with the figure in the asset register.</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. Bank balances as at 31<sup>st</sup> March 2019 were confirmed as:*

*Treasurers £ 7,461.09*  
*Lloyds HUB £19,818.59*

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

*The Council have adequate reserves and have identified earmarked reserves within this figure for The Hub and Youth Club.*

**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 13<sup>th</sup> March 2019 - Minute 18/82 f.*

*The Internal Audit report was considered by the Council at a meeting held on 26<sup>th</sup> May 2018 - Minute 18/22a.*

*Heelis & Lodge were appointed Internal Auditor at a meeting held on 14<sup>th</sup> November 2018 - Minute 18/57d.*

**External Audit** *The External Auditor's report was considered by the Council at a meeting held on 19<sup>th</sup> September 2018 - Minute 18/46c.*

*There were no matters raised by the External Auditor in relation to the 2017-2018 External Audit.*

**Period of Exercise of Public Rights**

*Copy not in Audit file or on website.*

### **Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 09/05/2018, 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 her assistance during the course of the audit work

*Dave Crimmin*

**Dave Crimmin PSLCC**

**Heelis & Lodge**

15<sup>th</sup> May 2019