

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Ringshall Parish Council – 2019/2020

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

Income: £11,440

Expenditure: £9,314

Reserves: £15,232

AGAR Completion:

Section One: **Yes and signed.**

Section Two: **Yes and signed, but pencil correction.**

Annual Internal Audit Report 2019/20: **Yes**

Certificate of Exemption: **Yes and signed.**

At the meeting held on the 21st January 2019 only Section 1 Governance Statement for 2018 / 2019 (Ref: 14e) and the Exemption Certificate (Ref: 15) were referred to in the minutes.

Recommendation (1): *The Exemption Certificate, Section 1 and Section 2 of the AGAR must be individually reviewed, agreed and signed by the Chairman of the meeting as well as the Clerk (Section 1) or RFO (Section 2).*

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: **21st May 2019 (Ref: 10) & 23rd July 2019 (Ref: 22)**

Financial Regulations in place: **Yes**

Reviewed: **21st May 2019 (Ref: 14a)**

VAT reclaimed during the year: **No** Registered: **No**

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Heather Heelis Dip HE Local Policy PILCM

Lynne Lodge Dip HE Local Policy

General Power of Competence: No

There were no tenders during the year that exceeded the £25,000 Public Contract Regulations threshold.

Recommendation (2): *To ensure that VAT is reclaimed back from HMRC and minute the action taken.*

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 – ZA565813 Expiry 28/11/2020

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 (3): *To include reference to the Council's GDPR Policy in the Council's Risk Assessment.*

Privacy Policy published: Yes

Insurance was in place for the year of audit. The Risk Assessment were reviewed at a meeting held on 24th September 2019 (Ref: 7d). Internal Controls were reviewed at the meeting held on 23rd July 2019 (Ref: 8).

The Council have good 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: £25,000

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

Transparency

Under the **Transparency code for smaller authorities**, smaller councils with income/expenditure under £25,000 should publish on their website from 1 April 2015:

Smaller Council: **Yes**

Website: www.ringshall.onesuffolk.net

- a) all items of expenditure above £100
Published – Yes
- b) annual governance statement (By 1 July)
2019 Annual Return, Section One Published – Yes
- c) end of year accounts (By 1 July)
2019 Annual Return, Section Two Published – Yes
- d) internal audit report (By 1 July)
2019 Annual Return, Section Four Published – Yes
- e) list of councillor or member responsibilities
Published – Yes
- f) the details of public land and building assets (By 1 July)
Published – None owned
- g) minutes, agendas and meeting papers of formal meetings
Published – Yes

The Council have met the requirements of the Transparency Code for smaller councils.

Under **The Local Audit (Smaller Authorities) Regulations 2015 9(6 & 7)** a smaller council having certified itself as an Exempt Authority must publish on their website:

- h) Certificate of Exemption
Certificate of Exemption Published - Yes

Under **The Accounts & Audit Regulations 2015 15(2b)** councils must publish on their website:

- i) notice of period for the exercise of public rights
Published – Yes

Period of Exercise of Public Rights

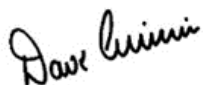
Start Date 1st July 2019 End Date 9th August 2019

Budgetary controls	<p>Verifying the budgetary process with reference to council minutes and supporting documents</p> <p>Precept: £5,900 (2019-2020) Date: 22nd January 2019 (Ref: 6) Precept: £7,100 (2020-2021) Date: 28th January 2020 (Ref: 10c)</p> <p><i>Good 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>
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>A satisfactory expenses system is in place with supporting paperwork. No Petty Cash held.</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 Payroll Service</p> <p><i>The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. 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 / NEST pension scheme.</i></p> <p><i>It is noted that the Council undertook a review of salaries at a meeting held on 21st May 2019 (Ref: 28).</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 £ 108,582. The figure in the asset register does not correspond with the figure in Section 2, Box 9 of the AGAR.</i></p>

Bank Reconciliation	<p>Regularly completed and cash books reconcile with bank statements</p> <p><i>All were in order. Bank Reconciliations are carried out regularly. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts.</i></p> <p><i>Reconciled Bank Balances were confirmed as:</i></p> <table border="0" style="margin-left: 40px;"> <tr> <td><i>Barclays Premium</i></td> <td style="text-align: right;"><i>£13,115.73 as at 31st March 2020</i></td> </tr> <tr> <td><i>Barclays Community</i></td> <td style="text-align: right;"><i>£ 3,655.15 as at 31st March 2020</i></td> </tr> </table> <p><i>Recommendation (4):</i> <i>Unpresented cheque for 2018 /2019 year should be reversed or re-issued as when older than 6 months, it cannot be cleared by bank.</i></p>	<i>Barclays Premium</i>	<i>£13,115.73 as at 31st March 2020</i>	<i>Barclays Community</i>	<i>£ 3,655.15 as at 31st March 2020</i>
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<i>Barclays Community</i>	<i>£ 3,655.15 as at 31st March 2020</i>				
Reserves	<p>General Reserves are reasonable for the activities of the Council Earmarked Reserves are identified</p> <p><i>The Council have adequate general reserves (£4,105) and have identified earmarked reserves (£11,127) in their year end 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 & Payments basis.</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 2019 Internal Audit report was considered by the Council at a meeting held on 24th September 2019 (Ref: 6a).</i></p> <p><i>A review of the effectiveness of the Internal Audit was carried out on 24th September 2019 (Ref: 6b).</i></p> <p><i>Heelis & Lodge were appointed as Internal Auditor at a meeting held on 28th January 2020 (Ref: 18).</i></p>				
External Audit	<p><i>The Council declared themselves Exempt from External audit for the 2018-2019 financial year.</i></p>				

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 21/05/2019 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 the quality of documentation presented in the Audit File.



Dave Crimmin PSLCC
Heelis & Lodge

23rd May 2020

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Ringshall Parish Council
Dave Smith
Maple Cottage
Offton Road
Ringshall
IP14 2JD

Invoice No: HLD1026

Date: 23rd May 2020

Details	Quantity	Amount (£)	Total (£)
To carry out Year-end Internal Audit for Ringshall Parish Council for the year ended 31 March 2020.	1	80.00	80.00
Total			80.00

Please make cheques payable to: Heelis & Lodge

Bank Details: Account 02539349 Sort Code 72-00-00

Terms – 30 days

Thank you.

HEELIS&LODGE

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