

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Ringshall Parish Council – 2020/2021

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

Income: £35,537.93

Expenditure: £7,790.17

Reserves: £42,979.94

AGAR 2020 / 2021 Completion:

Section One: **Yes and signed**

Section Two: **Yes and signed**

Annual Internal Audit Report 2020 / 21: **Yes**

Certificate of Exemption: **N/A**

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: **26th May 2020 (Ref: 4)**

Financial Regulations in place: **Yes**

Reviewed: **26th May 2020 (Ref: 4)**

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.

Recommendation (1): To ensure that VAT is reclaimed back from HMRC and minute the action taken.

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Heather Heelis Dip HE Local Policy PILCM

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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 – ZA565813 Expiry 28/11/2021

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 (2): *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 council reviewed the Risk Assessment on 26th January 2021 (Ref: 8d). However, Internal Controls were not reviewed during the year of Audit.

The Council have good internal financial controls in place. 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 below the recommended guidelines of year end balances plus 50% of the precept.

Recommendation (3): *To review Fidelity Cover in line with 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)
2020 Annual Return, Section One Published – Yes
- c) end of year accounts (By 1 July)
2020 Annual Return, Section Two Published – Yes
- d) internal audit report (By 1 July)
2020 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 – Yes
- 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 2020 End Date 9th August 2020

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

Precept: £7,100 (2020 / 2021) Date: 28th January 2020 (Ref: 10c)

Precept: Not minuted (2021 / 2022) Date: 26th January 2021 (Ref: 8c)

Good budgetary procedures are in place. The precept was agreed in full council and the precept decision but not the amount has been 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 Precept and other income, including credit control mechanisms

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.

Petty Cash Associated books and established system in place

A satisfactory expenses system is in place with supporting paperwork. No Petty Cash held.

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 – SALC Payroll Service**

Employer PAYE Reference: 120/RA90013

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.

It is noted that the Council undertook a review of salaries.

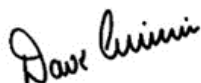
Asset control Inspection of asset register and checks on existence of assets
Cross checking on insurance cover

A separate asset register is in place and was reviewed on 28th July 2020 (Ref: 11). Values are recorded at cost value. The total value of assets are recorded at £109,263. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.

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 as at 31st March 2021 were confirmed as:</i></p> <table border="0"> <tr> <td><i>Barclays Premier</i></td> <td style="text-align: right;"><i>£41,623.66</i></td> </tr> <tr> <td><i>Barclays Community</i></td> <td style="text-align: right;"><i>£ 1,356.28</i></td> </tr> </table>	<i>Barclays Premier</i>	<i>£41,623.66</i>	<i>Barclays Community</i>	<i>£ 1,356.28</i>
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<i>Barclays Community</i>	<i>£ 1,356.28</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 (£6,423) and have identified earmarked reserves (£36,556) 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 / 2020 Internal Audit report was considered by the Council at a meeting held on 28th July 2020 (Ref: 10)</i></p> <p><i>Recommendation (4):</i> <i>When applicable, the council's response to the Internal Audit recommendations should be contained in the minutes of the meeting.</i></p> <p><i>A review of the effectiveness of the Internal Audit was carried out on 26th January 2021 (Ref: 15).</i></p> <p><i>Heelis & Lodge were appointed as Internal Auditor at a meeting held on 26th January 2021 (Ref: 15).</i></p>				
External Audit	<p><i>The Council declared themselves Exempt from External audit for the 2019 / 2020 financial year at meeting on 30th April 2020 (Ref: d).</i></p>				

Additional Comments/Recommendations

- Due to the Coronavirus pandemic, the requirement to hold the Annual Parish / Town Council meeting was removed until May 2021.
- 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

10th June 2021

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Ringshall Parish Council
Maple Cottage,
Offton Road,
Ringshall
IP14 2JD

Invoice No: HLD204

Date: 10th June 2021

Details	Quantity	Amount (£)	Total (£)
To carry out Year-end Internal Audit for Ringshall Parish Council for the year ended 31 March 2021. (£15,000 to £25,000 Banding)	1	140.00	140.00
Total			140.00

Please make cheques payable to: Heelis & Lodge

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

Terms – 30 days

Thank you.

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