

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Fen Ditton 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: £30,478.06      Expenditure: £21,141.76      Reserves: £117,152.06

### AGAR Completion:

Section One: **Yes** – approved 5/5/2020 (Ref: 2020/16i)

Section Two: **Yes** – approved 5/5/2020 (Ref: 2020/16ii)

Annual Internal Audit Report 2018/19: **Yes**

Certificate of Exemption: **No**

**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: 4/2/2020 (Ref: 2019/179.iv)

Financial Regulations in place: **Yes**

Reviewed: 4/2/2020 (Ref: 2019/179.iii)

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 (Reg: Z2476139)

### **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. Due to the financial risk associated with the General Data Protection Regulations, the Council have included this in their Risk Assessment.*

Privacy Policy published: *Yes (adopted 7/5/2019 – Ref: 2019/18)*

*Insurance was in place for the year of audit. The Risk Assessment, including Internal Controls were reviewed at a meeting held on 4/2/2020 (Ref: 2019/179.ii).*

*The Council have effective internal financial controls in place. 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

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: No  
Website: [www.fenditton-pc.org.uk](http://www.fenditton-pc.org.uk)

*The Council is not subject to the requirements of the Transparency Code for smaller Councils. The Transparency Code for Councils with a turnover exceeding £200,000 is not covered as part of the Internal Audit.*

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

a) external audit report  
*2019 Annual Return, Section Three Published – No*

**Recommendation:** *It is noted that the AGAR is published on the website. It is recommended that the signed Section 3 (External Auditor's Certificate) is also published.*

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

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

Period of Exercise of Public Rights

Start Date **17/6/2019** End Date **26/7/2019**

**Budgetary controls**  
supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £26,000 (2019-2020)

Date: 8/1/2019 (Ref: 2018/165)

Precept: £29,000 (2020-2021)

Date: 21/1/2020 (Ref: 2019/164ii)

*Effective 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**

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**

*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.*

*It is noted that the Council undertook a review of salaries at a meeting held on 7/1/2020 (Ref: 2019/153).*

<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/insurance value. The total value of assets are recorded at £42,875. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.</i></p>									
<b>Bank Reconciliation</b>	<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>Bank Balances at 31/3/2020 were confirmed as:</i></p> <table border="0"> <tr> <td><i>Nationwide BS</i></td> <td><i>xxxx1146</i></td> <td><i>£97,577.71</i></td> </tr> <tr> <td><i>Barclays BP</i></td> <td><i>xxxx7067</i></td> <td><i>£7,326.00</i></td> </tr> <tr> <td><i>Barclays CA</i></td> <td><i>xxxx6062</i></td> <td><i>£12,248.33</i></td> </tr> </table>	<i>Nationwide BS</i>	<i>xxxx1146</i>	<i>£97,577.71</i>	<i>Barclays BP</i>	<i>xxxx7067</i>	<i>£7,326.00</i>	<i>Barclays CA</i>	<i>xxxx6062</i>	<i>£12,248.33</i>
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<b>Reserves</b>	<p>General Reserves are reasonable for the activities of the Council Earmarked Reserves are identified</p> <p><i>The Council have adequate general reserves at the year end.</i></p> <p><b><i>Recommendation:</i></b> <i>Due to the level of reserves held at the year end it is recommended that the accounts identify any earmarked reserves held.</i></p>									
<b>Year-end procedures</b>	<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 &amp; Payments basis.</i></p>									
<b>Sole Trustee</b>	<p>The Council has met its responsibilities as a trustee</p> <p><i>The Council are a sole trustee of the Fen Ditton Recreation Ground Trust which manages the pavilion and recreation ground. Trust funds are kept separately from the Parish Council accounts.</i></p> <p><i>The last annual submission of the accounts was 23/6/2020 for the financial year ending 31/3/2020..</i></p> <p><i>Income: £11,891 Expenditure: £1,202</i></p>									
<b>Internal Audit Procedures</b>	<p><i>The 2019 Internal Audit report was considered by the Council at a meeting held on 7/5/2020 (Ref: 2019/17).</i></p>									

*A review of the effectiveness of the Internal Audit was carried out on 4/2/2020 (Ref: 2019/179).*

*Heelis & Lodge were appointed as Internal Auditor at a meeting held on 4/2/2020 (Ref: 2019/180).*

**External Audit**

*The External Auditor's report was considered at a meeting held on 3/9/2019 (Ref: 2019/88).*

*There were no matters arising from the External Audit.*

**Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 7/5/2019, 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 her assistance during the course of the audit work



**Heather Heelis**  
**Heelis & Lodge**  
31 July 2020

# HEELIS&LODGE

Local Council Services • Internal Audit

[www.heelisandlodge.co.uk](http://www.heelisandlodge.co.uk)

## INVOICE

**To:**

Fen Ditton Parish Council  
Barton Ley  
Bannold Drove  
Waterbeach  
Cambridge  
CB25 9QQ

Invoice No: HL9119

Date: 31 July 2020

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for the year ended 31 March 2020 (£25,001 - £50,000 banding)	1	150.00	150.00
Courier	2	15.00	30.00
Total			180.00

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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Lynne Lodge Dip HE Local Policy