

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Fen Ditton Parish Council – 2017/18

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

Income: £35,015 Expenditure: £38,067 Reserves: £102,531

AGAR Completion:

Section One: Yes - draft

Section Two: No

Annual Internal Audit Report 2017/18: Yes

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: 5/7/2016
Financial Regulations in place: Yes
Reviewed: 6/3/2018 (Ref: 2017/208 iii)

VAT reclaimed during the year: Yes Registered: No

General Power of Competence: No

Financial Regulations and Standing Orders in place. Financial Regulations have been updated to include the Public Contracts Regulations 2015.

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

Contact details : 52 Parkway, Wickham Market, Suffolk, IP13 0SS
Tel: 07732 681125
Email: heather@heelis.eu

Heather Heelis Dip HE Local Policy PILCM
Lynne Lodge Dip HE Local Policy

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

Data Protection

The General Data Protection Regulations are changing and the new Regulations will come into force on 25 May 2018. It is likely that this will affect the way in which the Town Council handles its data. It is advised that the new Data Protection Regulations should form part of the Town Council's Risk Assessment.

Insurance was in place for the year of audit and reviewed on 2/5/2017 (Ref: 2017/15). The Risk Assessment, including Internal Controls, was reviewed on 6/3/2018 (Ref: 2017/208 ii).

Signatories were confirmed at a meeting held on 2/5/2017 (Ref: 2017/14).

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

The Council is not subject to the requirements of the Transparency Code for smaller Councils.

Budgetary controls

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

Precept: £25,000 (2018-2019)

Date: 6/2/2018 (Ref: 2017/193)

Precept: £24,380 (2017-2018)

Date: 10/1/2017 (Ref: 2016/176)

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	Precept and other income, including credit control mechanisms <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>						
Petty Cash	Associated books and established system in place <i>No petty cash held. A satisfactory expenses system is in place with supporting paperwork.</i>						
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 <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 are aware of the pension regulations and have taken the appropriate steps.</i>						
Asset control	Inspection of asset register and checks on existence of assets Cross checking on insurance cover <i>A separate asset register is in place. Values are recorded at cost value. The total value of assets are recorded at £39,845.47. The Council have no long term cash investments.</i>						
Bank Reconciliation	Regularly completed and cash books reconcile with bank statements <i>All were in order. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts.</i>						
Reserves	General Reserves are reasonable for the activities of the Council Earmarked Reserves are identified <i>The Council have adequate general reserves and have identified earmarked reserves in their year end accounts. Earmarked Reserves total £36,875, Ring Fenced Funds (s106) £51,389 and General Reserves £17,319.</i> <i>Bank balances were confirmed at 31/3/2018 as:</i> <table><tr><td><i>Nationwide BS</i></td><td><i>£96,379.58</i></td></tr><tr><td><i>Barclays a/c 1</i></td><td><i>£1,804.06</i></td></tr><tr><td><i>Barclays a/c 2</i></td><td><i>£7,792.35</i></td></tr></table>	<i>Nationwide BS</i>	<i>£96,379.58</i>	<i>Barclays a/c 1</i>	<i>£1,804.06</i>	<i>Barclays a/c 2</i>	<i>£7,792.35</i>
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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 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.

Internal Audit Procedures

The Council reviewed the effectiveness of the internal audit at a meeting held on 6/3/2018 (Ref: 2017/208 i).

The 2017 Internal Audit report was considered by the Council at a meeting held on 6/6/2017 (Ref: 2017/35).

Heelis & Lodge were appointed Internal Auditor at a meeting held on

External Audit

The External Auditor's report was considered by the Council at a meeting held on 5/9/2017 (Ref: 2017/98).

There were no matters raised by the External Auditor in relation to the 2016-2017 External Audit.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 2/5/2017, 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
23 April 2018

Contact details : 52 Parkway, Wickham Market, Suffolk, IP13 OSS
Tel: 07732 681125
Email: heather@heelis.eu

Heather Heelis Dip HE Local Policy PILCM
Lynne Lodge Dip HE Local Policy