

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Little Burstead 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: £8,454.23 Expenditure: £11,110.28 Reserves: £4,072.08

AGAR Completion:

Section One: Yes - signed

Section Two: Yes - signed

Annual Internal Audit Report 2019/2020: Yes

Certificate of Exemption: 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: 13/11/2019 (Ref: 58/19)

Financial Regulations in place: Yes

Reviewed: 11/3/2020 (Ref: 83/19.iii) and 13/11/2019 (Ref: 58/19)

VAT reclaimed during the year: Yes (2017-2019) Registered: No

General Power of Competence: No

There were no tenders exceeding the £25,000 Public Contracts Regulations threshold.

Risk Assessment Appropriate procedures in place for the activities of the council

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Compliance with Data Protection regulations

Risk Assessment document in place: Yes
Data Protection registration: No

It is noted that the Council have considered registration with the ICO and concluded that they do not meet the requirements to be registered (Ref: 10/7/2019 – item 29/19).

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: *To include reference to GDPR in the Council's Risk Assessment.*

Privacy Policy published: Yes

The Council have published their Data Protection Policy on the website, however, the Privacy Notice does not appear on the website in accordance with 4.2. The Privacy Notice published at the bottom of the web page is the property of the website hosting provider.

Recommendation: *to publish the Council's Privacy Notice on the website.*

Insurance was in place for the year of audit. The Risk Assessment was reviewed at a meeting held on 13/11/2019 (Ref: 58/19).

Internal Controls were reviewed at a meeting held on 11/3/2020 (Ref: 89/19).

The Council have effective 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.

Bank signatories were confirmed at the Annual Meeting held on 8/5/2019 (Ref: 12/19.iii).

Fidelity Cover: £5,000

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

The level of Fidelity cover was reviewed at the Annual Meeting held on 8/5/2019 (Ref: 13/19.iii).

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.e-voice.org.uk/lbpc

- a) all items of expenditure above £100
Published – Yes – contained within the minutes
- 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 – No public land or buildings 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 **17/6/2019** End Date **24/7/2019**

Budgetary controls
supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £6,610.95 (2019-2020) Date: 9/1/2019 (Ref: 70/18)
Precept: £7,083.52 (2020-2021) Date: 13/11/2019 (Ref: 56/19)

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 the Clerk's hours at a meeting held on 10/7/2019 (Ref: 34/19).

Asset control

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

A separate asset register is in place. Values are recorded at cost value/insurance value. The total value of assets are recorded at £11,469. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.

Bank Reconciliation

Regularly completed and cash books reconcile with bank statements

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.

Bank Balances at 31/3/2020 were confirmed as:

Barclays Community xxxx3718 £4,072.08

Reserves

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

The Council have adequate general reserves (£4,072.08). There are no identified earmarked reserves in the year end accounts.

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 2019 Internal Audit report was considered by the Council at a meeting held on 8/5/2019 (Ref: 13/19.iii).

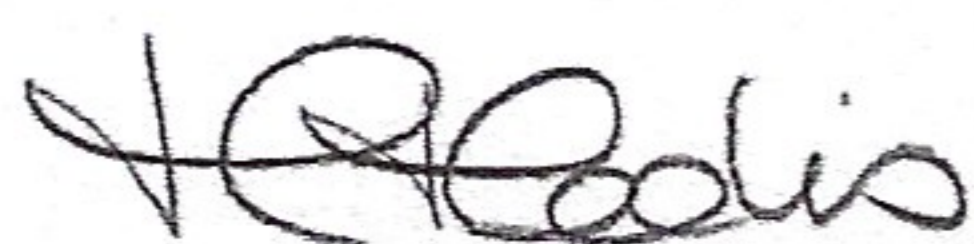
Heelis & Lodge were appointed as Internal Auditor at a meeting held on 11/3/2020 (Ref: 83/19.ii).

External Audit

The Council declared themselves Exempt from External audit for the 2018-2019 financial year.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 8/5/2019, within the required timescale. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- I would like to take this opportunity to congratulate the Clerk for achieving the CiLCA Certificate.
- 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 and the production of a well organised audit file.



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30 June 2020

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