

# HEELIS & LODGE

## Local Council Services • Internal Audit

### **Internal Audit Report for Yaxley 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: £13,711      Expenditure: £8,673      Reserves: £11,317

#### AGAR Part 2 Completion:

Section One: **Yes - Completed - Not approved**

Section Two: **Not present.**

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: *23<sup>rd</sup> August 2017 (Minute 12)*

Financial Regulations in place: **Yes**

Reviewed: *23<sup>rd</sup> August 2017 (Minute 12)*

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.*

## 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 - Z9140086 - Expiry 18/09/2018

### **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. The Risk Assessments were reviewed on 23<sup>rd</sup> August 2017 (Minute 11), 4<sup>th</sup> October 2017 (Minute 11) and 15<sup>th</sup> November 2017 (Minute 11). Internal controls were not reviewed at a council meeting during the year of audit.*

*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: £25,000

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

**Recommendation (1):** *It is a requirement for the council to review its Internal Controls at a meeting during the year of audit and minute the findings.*

## 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: Yes  
Website: [www.yaxley.onesuffolk.net](http://www.yaxley.onesuffolk.net)

- a) all items of expenditure above £100  
*Published – Yes*
- b) annual governance statement (By 1 July)  
*2017 Annual Return, Section One Published – No*
- c) end of year accounts (By 1 July)  
*2017 Annual Return, Section Two Published – No*
- d) internal audit report (By 1 July)  
*2017 Annual Return, Section Four Published – No*
- e) list of councillor or member responsibilities  
*Published – Yes*
- f) the details of public land and building assets (By 1 July)  
*Published – No*

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- g) Minutes, agendas and meeting papers of formal meetings  
*Published – Yes*

*The Council have yet to meet the requirements of the Transparency Code. Guidance on documents that need to be published can be found on [https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/388541/Transparency\\_Code\\_for\\_Smaller\\_Authorities.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388541/Transparency_Code_for_Smaller_Authorities.pdf)*

**Recommendation (2):** *To comply with the requirements of the Transparency Code in accordance with the referenced guidance.*

## **Budgetary controls**

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

Precept: £5,250 (2017/2018) Date: 21<sup>st</sup> December 2016

*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

*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

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

## **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. All supporting paperwork is in place and a P60 has been included as part of the Audit File. It was noted that the total pay to Clerk on the P60 was 30p greater than the payments for the year. The Council are aware of the pension regulations and have taken the appropriate steps.*

**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. The total value of assets are recorded at £145,999.00*

**Bank Reconciliation** Regularly completed and cash books reconcile with bank statements

*All were in order. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts. Bank balances as at 31<sup>st</sup> March 2018 were confirmed as:*

<i>Barclays Business Premium</i>	<i>£5,572.82</i>
<i>Barclays Community</i>	<i>£5,743.85</i>

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

*The Council have adequate general reserves and have identified earmarked reserves in their budgetary processes.*

**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 Council reviewed the effectiveness of the internal audit at a meeting held on 23<sup>rd</sup> August 2017 (Minute 9b).*

*The Internal Audit report was considered by the Council at a meeting held on 23<sup>rd</sup> August 2017 (Minute 9b).*

*Heelis & Lodge were appointed Internal Auditor at a meeting held on 31<sup>st</sup> May 2017 (Minute 11c).*

**External Audit** *The External Auditor's report was considered by the Council at a meeting held on 4<sup>th</sup> October 2017 (Minute 9b).*

*The following matters were raised by the External Auditor:*

- Risk Assessment not reviewed during year of audit*
- No Internal Control review at council meeting.*

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### **Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 31/05/2017, 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.
- 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*

**Dave Crimmin PSLCC**

**Heelis & Lodge**

5<sup>th</sup> July 2018