

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Monks Eleigh Parish Council - 2018/19

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

Income: £22,152 Expenditure: £14,549 Reserves: £20,357

AGAR Completion:

Section One: No blank

Section Two: No blank

Annual Internal Audit Report 2018/19: Yes

Certificate of Exemption: Not applicable.

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: 23rd July 2018 - Minute 48/18 and 26th November 2018 - Minute 104/18.

Financial Regulations in place: Yes

Reviewed: No minute showing that the Financial Regulations were reviewed during the year of Audit.

VAT reclaimed during the year: Yes Registered: No

General Power of Competence: Yes

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

Recommendation (1): The council to review Financial Regulations during the year of Audit and minute the action taken.

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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 - Z2744036 - Expiry 27th July 2019

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 GDPR in the Council's Risk Assessment.*

Privacy Policy published: Yes

Insurance was in place for the year of audit. The Risk Assessment was reviewed on 25th March 2018 - Minute 139/18b. Internal controls were reviewed on 21st May 2018 - Minute 17/18.

The annual RoSPA inspection has been undertaken on the play area.

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 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 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.monkseleigh.onesuffolk.net

- a) all items of expenditure above £100
Published – Yes within minutes
- b) annual governance statement (By 1 July)
2018 Annual Return, Section One Published – Yes
- c) end of year accounts (By 1 July)
2018 Annual Return, Section Two Published – Yes
- d) external audit report
2018 Annual Return, Section Three Published – Yes
- e) internal audit report (By 1 July)
2018 Annual Return, Published – Yes
- f) notice of period for the exercise of public rights
Published – Yes
- g) list of councillor or member responsibilities
Published – Yes
- h) the details of public land and building assets (By 1 July)
Published – Yes
- i) Minutes, agendas and meeting papers of formal meetings
Published – Yes

The council meets the requirements of the Transparency Code.

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

Precept: £17,718 (2018/2019) Date: 29th January 2018 - Minute 12

Precept: £17,736 (2019/2020) Date: 28th January 2019 - Minute 119/18c

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.

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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 produced as part of the year end process. The Council have not joined the LGPS or NEST pension scheme.

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 £56,379. Unable to confirm if the figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR, as the AGAR Section 2 is blank.

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 31st March 2019 were confirmed as:

<i>Community</i>	<i>£11,679.07</i>
<i>Business Premium (1)</i>	<i>£ 8,872.55</i>
<i>Business Premium (2)</i>	<i>£ 165.92</i>

Reserves

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

The Council have adequate reserves (£20,356) and have identified earmarked reserves (£8,700) in their budgetary process.

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 25th March 2018 - Minute 139/18c.

The Internal Audit report was considered by the Council at a meeting held on 20th June 2018 - Minute 30/18, but no reference to the points raised or the actions agreed by councillors have been minuted.

Recommendation (4): *When applicable, the council's response to the Internal Audit recommendations should be contained in the minutes of the meeting.*

Heelis & Lodge were appointed Internal Auditor at a meeting held on 25th March 2018 - Minute 139/18c.

External Audit

The External Auditor's report was not considered by the Council at a meeting held during the year of Audit.

There were no matters raised by the External Auditor in relation to the 2017-2018 External Audit.

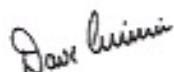
Recommendation (5): *It is a requirement that the External Auditor's report be reviewed at a meeting which is to be recorded in the minutes along with any actions to be taken.*

Period of Exercise of Public Rights

Start Date 25th June 2018 End Date 3rd August 2018

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 21/05/2018, 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.



Dave Crimmin PSLCC
Heelis & Lodge
13th May 2019