

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Wickham Market 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: £94,328

Expenditure: £76,749

Reserves: £46,368

### **AGAR Completion:**

Section One: Yes not signed

Section Two: Yes in pencil not signed

Annual Internal Audit Report 2019/20: Yes

Certificate of Exemption: N/A

**Proper book-keeping** Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

*All were found to be in order. VAT payments are tracked and identified within the year end accounts. The Council hold the General Power of Competence and LGAs137 does not apply. 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: 2<sup>nd</sup> September 2019 (Ref: 6). Updated Standing Orders were due to be considered at the March 2020 meeting which was postponed due to COVID-19.

Financial Regulations in place: No

Reviewed: Updated Financial Regulations were due to be considered at the March 2020 meeting which was postponed due to COVID-19.

VAT reclaimed during the year: Yes

Registered: No

General Power of Competence: Yes – adopted on the 13<sup>th</sup> May 2019 (Ref: 9.2)

*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 - ZA236912 Expiry 21/03/2021

### **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 (1):** *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, including Internal Controls were reviewed at a Finance & General Purposes meeting held on 23<sup>rd</sup> March 2019 (Ref: 5 & 7).*

*The Council have good 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.*

*The annual play area inspection has been undertaken during the year.*

Fidelity Cover: £100,000

*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.wickhammarket.onesuffolk.net](http://www.wickhammarket.onesuffolk.net)

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

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

h) external audit report

*2019 Annual Return, Section Three Published – No*

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 3<sup>rd</sup> June 2019

End Date 12<sup>th</sup> July 2020

## Budgetary controls

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

Precept: £60,000 (2019-2020)

Date: 21<sup>st</sup> January 2019 (Ref: 9.2)

Precept: £73,000 (2020-2021)

Date: 20<sup>th</sup> January 2020 (Ref: 13)

*Good 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. All supporting paperwork is in place and a P60 has been produced as part of the year end process. The Council have joined the 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 £761,889. 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.*

*Reconciled Bank Balances as at the 31<sup>st</sup> March 2020 were confirmed as:*

<i>Barclays Community</i>	<i>£32,909.08</i>
<i>Barclays Business</i>	<i>£15,775.38</i>

*Cheque number 371 for £20.84 was issued on the 13<sup>th</sup> May 2019. As it is more than 6 months old it should be cancelled, and a new cheque re-issued.*

*Bank signatories were review on the 13<sup>th</sup> May 2019 (Ref: 12.4).*

**Reserves**

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

*The Council have general reserves of £32,447 (which equates to 44% of precept) and have identified earmarked reserves (£13,921) in their 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 not considered by the Council at a meeting held during the year of audit.*

**Recommendation (2):** *It is a requirement to review the Internal Report when received and minute the actions that the council is to take.*

*A review of the effectiveness of the Internal Audit was not carried out during the year of audit as the March meeting was postponed due to COVID-19.*

*Heelis & Lodge were not appointed as Internal Auditor at a meeting held during the year of audit as the March meeting was postponed due to COVID-19.*

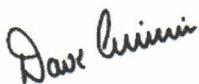
## **External Audit**

*The External Auditor's report was considered at a meeting held on 18<sup>th</sup> November 2019 (Ref: 11.3).*

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

## **Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 13/05/2019 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
- 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 PSLCC  
Heelis & Lodge**

26<sup>th</sup> June 2020