

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Bramford 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: £99,568.20 Expenditure: £116,185.57 Reserves: £125,607.90

AGAR Completion:

Section One: [Yes - draft](#)

Section Two: [Yes – to be approved](#)

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 is not used as the Council have adopted the General Power of Competence. The cashbook is referenced providing a clear audit trail. Supporting paperwork is in place and well referenced.

Recommendation: *VAT payments should be tracked and identified within the cashbook and year end accounts.*

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: [20/11/2017 \(Ref: 9.11\)](#)

Financial Regulations in place: [Yes](#)

Reviewed: [20/11/2017 \(Ref: 7.11 c\)](#)

VAT reclaimed during the year: [Yes](#) Registered: [No](#)

General Power of Competence: [Yes](#)

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

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different versions of Financial Regulations and Standing Orders on file. It is suggested that only the latest version needs to be kept on file and that a review schedule is kept, possibly on the front or last page, for clarity. .

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

Recommendation: *To update Financial Regulations to incorporate reference to the Public Contracts Regulations 2015.*

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: No

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 Parish Council handles its data. It is advised that the new Data Protection Regulations should form part of the Parish Council's Risk Assessment. The Council will also need to consider registration with the ICO.

Insurance was in place for the year of audit. The Risk Assessment was not reviewed during the year of audit, however, it is noted that the Risk Assessment is currently under review.

Recommendation: *To ensure the Risk Assessment and Internal Controls are formally reviewed, and the review minuted, 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: £100,000

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

Recommendation: *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: 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: £66,233.00 (2018-2019) Date: 15/1/2018 (Ref: 7.1 b)
Precept: £64,935.00 (2017-2018) Date: 16/1/2017 (Ref: 7.1 b)

Good budgetary procedures are in place. Whilst the precept amount was not recorded for the 2017-2018 financial year, the precept for 2018-2019 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.

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.

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 £631,051.

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.

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 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 Council reviewed the effectiveness of the internal audit at a meeting held on 10/4/2017 (Ref: 7.4 b).

There is no evidence in the minutes that the Internal Audit report has been considered by the Council.

Heelis & Lodge were appointed Internal Auditor at a meeting held on 19/2/2018 (Ref: 7.2 b).

Recommendation: *To minute the review of the Internal Audit report.*

External Audit

The External Auditor's report was considered by the Council at a meeting held on 20/11/2017 (Ref: 7.11 b).

The following matters were raised by the External Auditor:

- *Risk Assessment*
- *Internal Auditor's recommendations*
- *Preparation of the Accounting Statements*

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 15/5/2017, 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
18 May 2018

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Bramford Parish Council
Parish Room
Ship Lane
Bramford
IP8 4AN

Invoice No: HL8041

Date: 18 May 2018

Details	Quantity	Amount (£)	Total (£)
2 visits to carry out the Internal Audit for Bramford Parish Council for the year ended 31 March 2018	1	215.00	215.00
Total			215.00

Please make cheques payable to: Heelis & Lodge

Terms – 30 days

Thank you.

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