

HEELIS&LODGE

Local Council Services • Internal Audit

Interim Internal Audit Report for Rumburgh Parish Council – 2015/16

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

Income: £3,673.38 Expenditure: £2,323.01 Reserves: £5,537.83

Annual Return Completion:

Section One: Yes - signed

Section Two: No

Section Four: 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. LGA1972 s137 and VAT payments are tracked and identified within the cashbook. LGAs137 expenditure is identified in 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: 16/3/2016

Financial Regulations in place: Yes Reviewed: 16/3/2016

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 in light of the Public Contracts Regulations 2015.

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Risk Assessment

Appropriate procedures in place for the activities of the council

Risk Assessment document in place: Yes

Data Protection registration: No

Insurance was in place for the year of audit and included separate playground public liability insurance. The Statement of Internal Control/Risk Management was reviewed on 16/3/2016.

A RoSPA inspection has been undertaken on the play equipment during the year.

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.

Transparency Code

Compliance for smaller councils with income/expenditure under £25,000.
Smaller authorities should publish on their website:

Smaller Council: Yes

Website: <http://rumburghvh.onesuffolk.net/rumburgh-parish-council>

a) all items of expenditure above £100

***Reminder:** To publish all expenditure incurred in 2015-2016 above £100 on the Parish Council website with the exception of the Clerk's salary which can remain confidential.*

b) end of year accounts

***Reminder:** To publish Section Two of the 2016 Annual Return on the Parish Council website by 1 July 2016.*

c) annual governance statement

***Reminder:** To publish Section One of the 2016 Annual Return on the Parish Council website by 1 July 2016.*

d) internal audit report

***Reminder:** To publish the Internal Audit report on the Parish Council website by 1 July 2016.*

e) list of councillor or member responsibilities

Councillors details are published on the website. It is noted that no Councillor has individual responsibilities.

f) the details of public land and building assets

***Reminder:** To publish any land in the ownership of the Parish Council on the Parish Council website by 1 July 2016.*

g) Minutes, agendas and meeting papers of formal meetings

Minutes are published on the website.

***Reminder:** To publish agendas on the Parish Council website.*

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***Reminder:** To publish minutes on the Parish Council website within a month of the meeting.*

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

Precept: £3,500

Date: 5/11/2014

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.

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. Receipts are issued for allotment rents.

There was a £1 discrepancy on receipt No: 42. The receipt acknowledges receipt of £13, whereas £14 was banked and entered into the cashbook.

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 are operating RTI in accordance with HMRC regulations.

Asset control

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

A separate asset register is in place. The annual review of the asset register was undertaken at a meeting held on 16/3/2016 (Ref: 9). The Parish Council own the following assets:

- *Play equipment*
- *Football posts & net*
- *Stile & gate*
- *Access drive to bungalows*
- *Bus Shelter*
- *Allotments (including field gate & side gate)*
- *3 x notice boards*
- *Village sign*
- *Grit bin*
- *2 x benches*

The Asset register would benefit from the following additional information:

- *Date of purchase (where known)*
- *Confirmation whether the values listed in the asset register are 'cost value' or 'insurance value'. (Values should be recorded at 'cost value' in the asset register and the total 'cost value' entered in Section 2, Box 9 of the Annual Return.*

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. The total cash held at the year end amounted to £5,537.83.

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.

The year end accounts were complete and prepared on a Receipts and Payments basis.

Sole Trustee

The Council has met its responsibilities as a trustee

The Council is not a sole trustee.

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**Internal Audit
Procedures**

The Council reviewed the effectiveness of the internal audit at a meeting held on 16/3/2016 (Ref: 7).

The Internal Audit report was considered by the Council at a meeting held on 13/5/2015 (Ref: 8. c).

External Audit

It was not apparent in the minutes whether the Council had considered the External Auditor's report ie Section Three of the Annual Return.

Recommendation: *To minute the consideration of the External Auditor's report.*

Additional Comments/Recommendations

- The Annual Town Council meeting was held on 13/5/2015, within the required timescale. The first item of business following the signing of Declaration of Office was the Election of Chairman, in accordance with Standing Orders.
- Loose-leaf minute pages are consecutively numbered and signed and dated.
- 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 his assistance during the course of the audit work.



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Heelis & Lodge
12 April 2016**

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