

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Rumburgh Parish Council – 2021/2022

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

Income: £4294

Expenditure: £3437

Reserves: £7,916

AGAR 2021 / 2022 Completion:

Section One: Yes electronically not signed

Section Two: Yes electronically not signed

Annual Internal Audit Report 2021 / 22: Yes

Certificate of Exemption: Yes electronically not signed

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: 16th March 2022 (Ref: 8)

Financial Regulations in place: Yes

Reviewed: 16th March 2022 (Ref: 8)

VAT reclaimed during the year: Yes

Registered: No

General Power of Competence: No

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 – ZA314170 Expiry 11/02/2023

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. Due to the financial risk associated with the General Data Protection Regulations, the Council have included this in their 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 meeting held on 16th March 2022 (Ref: 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 6th October 2021 (Ref: 8).

Fidelity Cover: £25,000

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: Yes

Website: www.rumburgh.onesuffolk.net

- a) all items of expenditure above £100
Published – Yes – contained within the minutes
- b) annual governance statement (By 1 July)
2021 Annual Return, Section One Published – Yes
- c) end of year accounts (By 1 July)
2021 Annual Return, Section Two Published – Yes
- d) internal audit report (By 1 July)
2021 Annual Return, Section Four Published – Yes
- e) list of councillor or member responsibilities
Published – Yes
- f) the details of public land and building assets (By 1 July)
Published – Yes
- g) minutes, agendas and meeting papers of formal meetings
Published – Yes

The Council have met the requirements of the Transparency Code for smaller councils.

Under **The Local Audit (Smaller Authorities) Regulations 2015 9(6 & 7)** a smaller council having certified itself as an Exempt Authority must publish on their website:

Certificate of Exemption

Certificate of Exemption Published - Yes

Under **The Accounts & Audit Regulations 2015 15(2b)** councils must publish on their website:

Notice of period for the exercise of public rights
Published – Yes

Period of Exercise of Public Rights

Start Date 14th June 2021

End Date 21 July 2021

Budgetary controls

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

Precept: £3,805 (2021 / 2022)

Date: 18th November 2020 (Ref: 7)

Precept: £3,881 (2022 / 2023)

Date: 17th November 2021 (Ref: 7)

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
Employer PAYE Reference: 120/NA61065
P60's issued: Yes – current year missing from file.

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 has not joined the LGPS / 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 is recorded at £15,048. 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 31st March were confirmed as:

| | |
|--------------------|-----------|
| Barclays Community | £2,616.28 |
| Barclays Savings | £5,313.75 |

Mandate changes to the Barclays accounts were agreed on 4th August 2021 (Ref: 13).

Reserves

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

The Council have adequate general reserves (£6,916) and have identified earmarked reserves (£1,000) 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 is 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 2021 Internal Audit report was considered by the Council at a meeting held on 5th May 2021 (Ref: 10).

A review of the effectiveness of the Internal Audit was carried out on 17th November 2021 (Ref: 7)

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 17th November 2021 (Ref: 7)

External Audit

The Council formally approved the AGAR at a meeting of the full Council held on 5th May 2021 (Ref: 11, 12 & 13).

The Council declared themselves Exempt from External audit for the 2020-2021 financial year.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 5th May 2021. 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 the quality of documentation presented in the Audit File.

Dave Crimmin

Dave Crimmin PSLCC

Heelis & Lodge

15th April 2022