

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Rumburgh 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: £3,902.83 Expenditure: £3,821.62 Reserves: £5,761.26

AGAR Completion:

Section One: [Yes – to be signed](#)

Section Two: [Yes – to be signed](#)

Annual Internal Audit Report 2018/19: [Yes](#)

Certificate of Exemption: [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 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: [20/3/2019 \(Ref: 0081/19\)](#)

Financial Regulations in place: [Yes](#)

Reviewed: [20/3/2019 \(Ref: 0081/19\)](#)

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.

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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

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: *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 was reviewed on 30/3/2019 (Ref: 0081/19).

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 from 1 April 2015:

Smaller Council: Yes

Website: www.rumburgh.onesuffolk.net/

- a) all items of expenditure above £100
Published – Yes
- b) end of year accounts (By 1 July)
2017 Annual Return, Section One Published – Yes
- c) annual governance statement (By 1 July)
2017 Annual Return, Section Two Published – Yes
- d) internal audit report (By 1 July)
2017 Annual Return, Section Four Published – Yes
- e) list of councillors or member responsibilities
Published – Yes
- f) the details of public land and building assets (By 1 July)
Published – Yes

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g) Minutes, agendas and meeting papers of formal meetings
Published – Yes

The Council have met the requirements of the Transparency Code.

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

Precept: £3,500 (2018-2019) Date: 4/1/2017
Precept: £3,694.84 (2019-2020) Date: 2/1/2019

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.

A review of fees was undertaken during the year (Ref: 5/9/2018 – item 0075/18a)

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.

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 £15,099. 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.

Bank balances at 31/3/2019 were confirmed as:

Barclays xxxx9401 £2,456.19
Barclays xxxx8378 £3,305.07

Reserves

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

The Council have adequate general reserves (£5,761.26)

The Council held no earmarked reserves at the year end.

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 20/3/2019 (Ref: 0071/18a).

The 2018 Internal Audit report was considered by the Council at a meeting held on 9/5/2018.

Heelis & Lodge were appointed Internal Auditor at a meeting held on 7/11/2018.

External Audit

The Council declared exemption for the year of audit.

Period of Exercise of Public Rights

Start Date *17/6/2019*

End Date *26/7/2019*

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 9/5/2018, 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 his assistance during the course of the audit work

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Heather Heelis
Heelis & Lodge
16 April 2019

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www.heelisandlodge.co.uk

INVOICE

To:

Rumburgh Parish Council

Invoice No: HL9015
Date: 17 April 2019

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for Rumburgh Parish Council for the year ended 31 March 2019	1	50.00	50.00
Total			50.00

Please make cheques payable to: Heelis & Lodge

Terms – 30 days

Thank you.

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