

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Rumburgh 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: £3,977.79

Expenditure: £3,446.80

Reserves: £6,292.25

### AGAR Completion:

Section One: No

Section Two: No

Annual Internal Audit Report 2019/20: Yes

Certificate of Exemption: No

**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: 18<sup>th</sup> March 2020 Minute 8

Financial Regulations in place: Yes

Reviewed: 6<sup>th</sup> November 2019 Minute 6 & 18<sup>th</sup> March 2020 Minute 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.*

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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 ZA314170 Expiry 11<sup>th</sup> February 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. 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 18<sup>th</sup> March 2020 Minute 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: £25,000

*The insurance schedule states that 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](http://www.rumburgh.onesuffolk.net)

- a) all items of expenditure above £100  
*Published – Yes – contained within the minutes*
- b) annual governance statement (By 1 July)  
*2019 Annual Return, Section One Published – Yes*
- c) end of year accounts (By 1 July)  
*2019 Annual Return, Section Two Published – Yes*
- d) internal audit report (By 1 July)  
*2019 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:

- h) Certificate of Exemption  
*Certificate of Exemption Published - Yes*

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 17<sup>th</sup> June 2019      End Date 26<sup>th</sup> July 2019

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

Precept: £3,694.00 (2019-2020) Date: 2<sup>nd</sup> January 2019 Minute 6  
Precept: £3,731.78 (2020-2021) Date: 6<sup>th</sup> November 2019 Minute 6

*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. Payroll is outsourced. 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/insurance value. The total value of assets are recorded at £15,048.27.*

**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 were confirmed as:*

*Barclays Current                    £1,981.00 as at 31<sup>st</sup> March 2020  
Barclays Deposit                    £4,311.25 as at 31<sup>st</sup> March 2020*

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

*The Council have adequate general reserves (£6,292.25).*

**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 considered by the Council at a meeting held on 8<sup>th</sup> May 2019 Minute 10.*

*A review of the effectiveness of the Internal Audit was carried out on 8<sup>th</sup> May 2019 Minute 12.*

*Heelis & Lodge were appointed as Internal Auditor at a meeting held on 6<sup>th</sup> November 2019 Minute 6.*

**External Audit** *The Council declared themselves Exempt from External audit for the 2018-2019 financial year.*

### **Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 08/05/2019, 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 his 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*

**Dave Crimmin PSLCC**  
**Heelis & Lodge**  
17<sup>th</sup> April 2020

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