

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Heaveningham Parish Council – 2016/17

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

Income: £3,933.40 Expenditure: £3,655.66 Reserves: £5,239.55

Annual Return Completion:

Section One: No

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. VAT on payments should be identified within the year end accounts. There were no LGAs137 payments made during the year, however, this should be identified within the Receipts and Payments Summary as well as the supporting statement. 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: 11/4/2016

Financial Regulations in place: Yes

Reviewed: 11/4/2016

VAT reclaimed during the year: Yes Registered: No

General Power of Competence: No

Financial Regulations and Standing Orders in place. Standing Orders and Financial Regulations have been updated to include 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. The Risk Assessment was reviewed on 11/4/2016. Internal controls were reviewed on 22/3/2017.

The Council confirmed bank signatories at a meeting held on 11/4/2016.

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: <http://heveningham.onesuffolk.net/heveningham-parish-council/>

- a) all items of expenditure above £100
Published – Yes, contained within the minutes
- b) end of year accounts (By 1 July)
2016 Annual Return, Section One Published – Yes
- c) annual governance statement (By 1 July)
2016 Annual Return, Section Two Published – Yes
- d) internal audit report (By 1 July)
2016 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 – asset register published
- 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: £1,791.40

Date: 7/12/2015

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.

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

Payroll is outsourced. The Council continue to operate RTI in accordance with HMRC regulations. All supporting paperwork is in place. The Council should be aware of their staging date for the pension regulations and take the appropriate steps to meet the deadline for completing their declaration.

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 £3,266.64. The asset register was reviewed by the Council on 8/2/2017.

There is evidence that the Council administers allotments. Clarification is needed on whether the Parish Council owns the allotments and if so, the land should be included in the asset register and also published on the website as part of the Transparency Code.

Recommendation: *To confirm ownership of allotments and take the necessary action if required.*

Bank Reconciliation Regularly completed and cash books reconcile with bank statements

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All were in order. The bank statements reconciled with the end of year accounts and bank reconciliations for all 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

Confirmation is required as to whether the Council is a sole trustee or custodian trustee of the Recreation Ground and Children's Playground Heveningham (Charity Registration Number: 308100). A charity return was made on 18/2/2017 and submission confirmation is on file, however the External Auditor reported on the 2016 audit that Box 11 should be completed with a 'No'.

Internal Audit Procedures

The Council reviewed the effectiveness of the internal audit at a meeting held on 11/4/2016.

The Internal Audit report was considered by the Council at a meeting held on 18/5/2016.

Heelis & Lodge were appointed Internal Auditor at a meeting held on 8/2/2017.

External Audit

The External Auditor's report was considered by the Council at a meeting held on 28/9/2016.

The following matters were raised by the External Auditor:

- *The Risk Assessment was not minuted during the year of audit*
- *Box 11 was not completed*
- *Fixed assets – ensure that fixed assets are consistently recorded at their cost or proxy value.*

Additional Comments/Recommendations

- There is no record of the Council holding the statutory Annual Parish Council meeting in the month of May. The May meeting of the Council was held on 18 May 2016, however, there is no evidence of the business of the Annual meeting being transacted. **Recommendation:** To ensure the Council hold an annual meeting in accordance with Standing Order No 5.
- 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
27 May 2017

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Heveningham Parish Council

Invoice No: HL7047
Date: 27 May 2017

Details	Quantity	Amount (£)	Total (£)
To carry out Year End Internal Audit for Heveningham Parish Council for the year ended 31 March 2017	1	42.00	42.00
Total			42.00

Please make cheques payable to: Heelis & Lodge

Terms – 30 days

Thank you.

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