

# HEELIS & LODGE

## Local Council Services • Internal Audit

### **Internal Audit Report for Campsea Ashe 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: £7,331.80

Expenditure: £6,897.50

Reserves: £10,779.50

#### AGAR Completion:

Section One: [Yes signed](#)

Section Two: [Yes signed](#)

Annual Internal Audit Report 2019/20: [Yes](#)

Certificate of Exemption: [Yes 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: [20<sup>th</sup> May 2019 \(Ref: 6\) & 16<sup>th</sup> March 2020 \(Ref: 19.81\)](#)

Financial Regulations in place: [Yes](#)

Reviewed: [20<sup>th</sup> May 2019 \(Ref: 6\) & 16<sup>th</sup> March 2020 \(Ref: 19.81\)](#)

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 – ZA453464 Expiry 30/09/2020.

### **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 (1):** *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 and the Internal Controls were reviewed at a meeting held on 16th March 2020 (Ref: 19.81).*

*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 16<sup>th</sup> October 2019.*

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.campsea.onesuffolk.net](http://www.campsea.onesuffolk.net)

- a) all items of expenditure above £100  
*Published – Yes*
- 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

|                           |   |
|---------------------------|---|
| <b>Budgetary controls</b> | <p>Verifying the budgetary process with reference to council minutes and supporting documents</p> <p>Precept: £5,500 (2019-2020) Date: 19<sup>th</sup> November 2018 (Ref: 18.51)<br/> Precept: £5,500 (2020-2021) Date: 18<sup>th</sup> November 2019 (Ref: 19.54)</p> <p><i>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.</i></p> |
| <b>Income controls</b>    | <p>Precept and other income, including credit control mechanisms</p> <p><i>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.</i></p>  |
| <b>Petty Cash</b>         | <p>Associated books and established system in place</p> <p><i>A satisfactory expenses system is in place with supporting paperwork. No Petty Cash held.</i></p>   |
| <b>Payroll controls</b>   | <p>PAYE and NIC in place where necessary.<br/> Compliance with Inland Revenue procedures<br/> Records relating to contracts of employment</p> <p>PAYE System in place: <a href="#">Yes – Ladywell Accountancy Services</a></p> <p><i>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.</i></p>   |
| <b>Asset control</b>      | <p>Inspection of asset register and checks on existence of assets<br/> Cross checking on insurance cover</p> <p><i>A separate asset register is in place. Values are recorded at cost value. The total value of assets are recorded at £79,329. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.</i></p>   |

**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:*

|                           |   |
|---------------------------|---|
| <i>Barclays Community</i> | <i>£7,863.49 as at 31<sup>st</sup> March 2020</i> |
| <i>Barclays Business</i>  | <i>£3,683.05 as at 27<sup>th</sup> March 2020</i> |

***Recommendation (2):*** Use the bank balance as at the 31<sup>st</sup> March for the reconciliation.

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

*The Council have adequate general reserves (£10,779).*

**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.*

*As the accounts are prepared on a Receipts and Payments basis, the Cashbook should not have the HMRC Refund of £275 recorded as the funds were not received as at the 31<sup>st</sup> March 2020. In the Bank Reconciliation this amount should not be recorded as Unbanked Cash as at the 31<sup>st</sup> March 2020.*

***Recommendation (3):*** This VAT Refund should be removed from both the Cashbook and the Bank Reconciliation.

**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 15<sup>th</sup> July 2019 (Ref: 19.25)*

*A review of the effectiveness of the Internal Audit was carried out on 16th March 2020 (Ref: 19.81)*

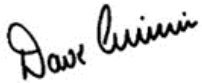
*Heelis & Lodge were appointed as Internal Auditor at a meeting held on 20<sup>th</sup> January 2020 (Ref: 19.68)*

**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 20/05/2019 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 the quality of documentation presented in the Audit File.



**Dave Crimmin PSLCC  
Heelis & Lodge**

26<sup>th</sup> May 2020

# HEELIS&LODGE

Local Council Services • Internal Audit

[www.heelisandlodge.co.uk](http://www.heelisandlodge.co.uk)

## INVOICE

**To:**

Campsea Ashe Parish Council  
The Old Smithy  
Eyke Road  
Campsea Ashe  
Woodbridge  
IP13 0PY

Invoice No: HLD1027

Date: 26<sup>th</sup> May 2020

| Details  | Quantity | Amount (£) | Total (£) |
|--|----------|------------|-----------|
| To carry out Year-end Internal Audit for Campsea Ashe Parish Council for the year ended 31 March 2020. | 1        | 80.00      | 80.00     |
| Total  |          |            | 80.00     |

Please make cheques payable to: Heelis & Lodge

Bank Details: Account 02539349 Sort Code 72-00-00

Terms – 30 days

Thank you.

**HEELIS&LODGE**

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Lynne Lodge Dip HE Local Policy