

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Wickham Bishops Parish Council – 2017/18

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

Income: £14,442 Expenditure: £15,903 Reserves: £12,886

AGAR Completion:

Section One: No

Section Two: Yes

Annual Internal Audit Report 2017/18: Yes

Proper book-keeping Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

All bar the item below were found to be in order 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. Within the cashbook papers presented the Recoverable VAT element of £30 has not been shown in the payment of £180 on the 5th December 2017 with regard to the SpeedWatch Volunteer event. However, this amount has been claimed in the VAT return dated the 10th April 2018.

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: 2nd January 2018 (Minute 18/014)
Financial Regulations in place: Yes
Reviewed: 2nd January 2018 (Minute 18/014)

VAT reclaimed during the year: Yes Registered: No

General Power of Competence: Yes - adopted 2nd May 2017 (Minute 17/085)

Financial Regulations and Standing Orders in place. Financial Regulations have been updated to include the Public Contracts Regulations 2015.

There were no tenders during the year.

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 - ZA087504 (Expires 19/11/2018)

Data Protection

The General Data Protection Regulations are changing and the new Regulations will come into force on 25 May 2018. It is likely that this will affect the way in which the Town Council handles its data. It is advised that the new Data Protection Regulations should form part of the Town Council's Risk Assessment.

Insurance was in place for the year of audit. The Risk Assessment was reviewed at the Finance Committee meeting on 16th March 2018 (18F/005).

The Council have satisfactory internal financial controls in place. Payment summaries 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: £250,000

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 No

Website: www.wickhambishopsparishcouncil.org

- 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 councillor 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 meets the requirements of the Transparency Code and the council to be commended on the clear presentation of this on their website.

Budgetary controls

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

Precept: £12,000

Date: 6th December 2016 (16/193)

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

The Council continue to operate RTI in accordance with HMRC regulations. All supporting paperwork is in place as part of the year end process. The Council are aware of the pension regulations and have taken the appropriate steps as recorded on 5th September 2017 (Minute 18/156).

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 £20,550

Bank Reconciliation

Regularly completed and cash books reconcile with bank statements

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

Reserves

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

The Council have adequate general reserves and have identified earmarked reserves in their year-end accounts - Finance Meeting 16th March 2018 (Minute 18F/004).

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 30th January 2018 (Minute 18/034).

The Internal Audit report was considered by the Council at a meeting held on 6th June 2017 (Minute 17/112).

Heelis & Lodge were appointed Internal Auditor at a meeting held on 5th December 2017 (Minute 17/224).

External Audit

The External Auditor's report was considered by the Council at a meeting held on 5th September 2017 (Minute 17/148).

There were no matters raised by the External Auditor in relation to the 2016 - 2017 External Audit.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 02/05/2017, 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 her assistance during the course of the audit work.



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Heelis & Lodge
26th April 2018

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