

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Wickham Bishops 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: £19,283 Expenditure: £18,734 Reserves: £13,435

AGAR Completion:

Section One: **No blank**

Section Two: **Yes - signed by RFO**

Annual Internal Audit Report 2018/19: **Yes**

Certificate of Exemption: **Yes - signed by RFO**

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 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: **5th February 2019 - Minute 19/034**
Financial Regulations in place: **Yes**
Reviewed: **5th February 2019 - Minute 19/034**

VAT reclaimed during the year: **Yes** Registered: **No**

General Power of Competence: **Yes**

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 - ZA087504 - Expiry 19th November 2019

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 was reviewed on 15th March 2019 - Minute 19F/005. Internal controls were reviewed on 9th June 2018 - Minute 18/121.

There is no play equipment on the asset register.

The Council have satisfactory internal financial controls in place. Cheque stubbs, Internet payments 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](#)

Website: www.wickhambishopsparishcouncil.org

- a) all items of expenditure above £100
Published – Yes
- b) annual governance statement (By 1 July)
2018 Annual Return, Section One Published – Yes
- c) end of year accounts (By 1 July)
2018 Annual Return, Section Two Published – Yes
- d) Certificate of Exemption
Certificate of Exemption Published - Yes
- e) internal audit report (By 1 July)
2018 Annual Return, Published – Yes
- f) notice of period for the exercise of public rights
Published – Yes
- g) list of councillor or member responsibilities
Published – Yes
- h) the details of public land and building assets (By 1 July)
Published – Yes
- i) Minutes, agendas and meeting papers of formal meetings
Published – Yes

The council meets the requirements of the Transparency Code.

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

Precept: £15,222 (2018/2019) Date: 2nd January 2018 - Minute 18/015

Precept: £16,928 (2019/2020) Date: 8th January 2019 - Minute 19/015

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

No Petty Cash held

A satisfactory expenses system is in place with supporting paperwork.

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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 - operated by J&M Payroll Services.

The Council continue to operate RTI in accordance with HMRC regulations. All supporting paperwork is in place but a P60 has not been produced as part of the year end process. The Council has joined the LGPS pension scheme.

Recommendation (2): *Copy of P60 to be maintained in Audit File as part of year-end process.*

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 and insurance value and the total value of assets are recorded at £10,106 (cost) and £21,165 (insurance). The insurance value in the asset register does correspond 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. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts. Bank balances as at 31st March 2019 were confirmed as:

<i>Community</i>	<i>£ 302.24</i>
<i>Business Premium</i>	<i>£13,133.10</i>

Reserves

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

The Council have adequate reserves (£13,435) and have identified earmarked reserves within their budgetary process.

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 9th June 2018 - Minute18/121.

The Internal Audit report was considered by the Council at a meeting held on 9th June 2018 - Minute18/121.

Heelis & Lodge were appointed Internal Auditor at a meeting held on 4th December 2018 - Minute 18/246.

External Audit

At the meeting held on the 9th June 2018 - Minute 18/122, the Parish Council resolved to sign the Audit Exemption Certificate for 2017 / 2018. The criteria for signing the Audit Exemption had been met by the council.

The Parish Council fully complied with the Exemption Certificate website publishing criteria.

Period of Exercise of Public Rights Start Date *11th June 2018* End Date *20th July 2018*

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 01/05/2018, 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 the excellent quality of documentation presented in the Audit File.



Dave Crimmin PSLCC
Heelis & Lodge
18th June 2019