

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Ingatestone & Fryerning Parish Council – 2015/16

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

Income: £220,836 Expenditure: £140,952 Reserves: £201,660

Annual Return Completion:

Section One: **No – draft figures available**

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 payments are tracked and identified within the year end accounts. The Council operate the SAGE accounting system. LGAs137 is no longer used as the Council have adopted the General Power of Competence. 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: **4/2/2016 (Ref:030/16)**

Financial Regulations in place: **Yes**

Reviewed: **4/2/2016 (Ref:030/16)**

VAT reclaimed during the year: **Yes** Registered: **Yes**

General Power of Competence: **Yes**

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Heather Heelis Dip HE Local Policy PILCM

Lynne Lodge Dip HE Local Policy

Financial Regulations and Standing Orders are in place. Financial Regulations have been updated to include the Public Contracts Regulations 2015. The eligible contract which falls under these regulations relates to the Grounds Maintenance Contract. Tender documents were examined and the Council have complied with the regulations and the tender advertised on the Contract Finder website.

Terms of Reference for Committees were reviewed at a meeting held on 6/8/2015 (Ref: 132/15 – 135/15).

The Council resolved that they had met the criteria and therefore adopted the General Power of Competence at a meeting held on 4/2/2016 (Ref: 028/16).

Bank signatories were confirmed at a meeting held on 3/12/2015 (Ref: 203/15).

Quarterly VAT returns have been submitted to HMRC. Supporting paperwork is in place.

Risk Assessment

Appropriate procedures in place for the activities of the council

Risk Assessment documents in place: Yes

Data Protection registration: Yes

Insurance was in place for the year of audit. The Risk Assessments, including internal controls, were reviewed at a meeting held on 1/10/2015 (Ref: 168/15).

The Parish Council Reserves Policy was reviewed and approved at a meeting held on 3/3/2016 (Ref: 055/16).

A RoSPA inspection has been carried out during the year.

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.

Fidelity Cover: £150,000

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: No

Budgetary controls

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

Precept 2015-2016: £135,348

Date: 8/1/2015 (Ref: 012/15)

Precept 2016-2017: £135,348

Date: 7/1/2016 (Ref: 008/16)

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.

Income controls

Precept and other income, including credit control mechanisms

All were found to be in order. Income controls were checked and a selection of income received and banked cross referenced with receipts, paying in slips, financial reports and bank statements. All was found to be in order.

Petty Cash

Associated books and established system in place

A satisfactory petty cash system is in place with supporting paperwork. The petty cash limit has been increased from £100 to £400 (Ref: 2/6/2016). VAT is accounted for where appropriate. A selection of transactions were examined from April 2015 to March 2016 and all were found to be in order.

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 are operating RTI in accordance with HMRC regulations. Payroll was outsourced to Acumen and is now outsourced to J M Payroll as of November 2015. Supporting paperwork is in place. The Council have considered their responsibilities with regards to pension legislation and have taken steps to meet the requirements by signing up to the LGPS.

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. Clarification on the ownership of the Seymour Pavilion has been confirmed and removed from the asset register. An explanation has been provided for the external auditor.

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. Monthly reconciliations are carried out. A sample was examined for accuracy and all was found to be in order.

Balances at the bank at 31/3/2016 were confirmed as:

<i>Barclays Current Account</i>	<i>£3,516.60</i>
<i>Barclays Business Savers Account</i>	<i>£114,193.16</i>
<i>Nationwide BS Account</i>	<i>£75,000.00</i>
<i>Yorkshire BS Account</i>	<i>£500.00</i>
<i>Barclays Youth Council Account</i>	<i>£1,840.53</i>

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 an Income & Expenditure Basis. Creditors and Debtors are identified in the balance sheet.

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 18/4/2016 (Ref: 054/16).

The Internal Audit report was considered by the Council at a meeting held on 4/6/2015 (Ref: 096/15).

Heelis & Lodge were appointed Internal Auditor at a meeting held on 18/4/2016 (Ref: 054/16).

External Audit

Reminder: *to minute the Council's consideration of the External Auditor's report.*

There were no matters raised by the External Auditor in relation to the 2014-2015 External Audit.

Additional Comments/Recommendations

- The Annual Town Council meeting was held on 14/5/2015, 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 well organised paperwork and her assistance during the course of the audit work



Heather Heelis
Heelis & Lodge
24 May 2016

HEELIS & LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Ingatestone & Fryerning Parish Council
118 High Street
Ingatestone
Essex
CM4 0BA

Invoice No: HL4038

Date: 24 May 2016

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for Ingatestone & Fryerning Parish Council for the year ended 31 March 2016	1	220.00	220.00
Total			220.00

Please make cheques payable to: Heelis & Lodge

Terms – 30 days

Thank you.

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