

# HEELIS & LODGE

## Local Council Services • Internal Audit

### **Internal Audit Report for Ingatestone and Fryerning Parish Council – 2020/2021**

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

Income: £207,412.44      Expenditure: £220,735.34      Reserves: £275,503.08

#### AGAR Completion:

Section One: **No**

Section Two: **Yes - unapproved**

Annual Internal Audit Report 2019/20: **Yes**

Certificate of Exemption: **No**

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

*The Council hold the General Power of Competence and LGAs137 does not apply.*

*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: **11/5/2020 (Ref: FC20/085)**  
Financial Regulations in place: **Yes**  
Reviewed: **11/5/2020 (Ref: FC20/085)**

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

General Power of Competence: **No**

*There were no tenders during the year that exceeded the £25,000 Public Contract Regulations threshold.*

*The Reserves Policy was reviewed and approved at a meeting held on 4/3/2021 (Ref: FC21/038).*

*Committee Terms of Reference were reviewed and approved at a meeting held on 27/4/2020 (Ref: FC20/064).*

*The following policies were reviewed and approved at a meeting held on 27/4/2020:*

*Complaints Policy (Ref: FC20/066)*

*Investment Policy (Ref: FC20/067)*

## **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 (Ref: Z2055557)

### **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. Due to the financial risk associated with the General Data Protection Regulations, the Council have included this in their Risk Assessment.*

Privacy Policy published: Yes

*Insurance was in place for the year of audit. The Risk Assessments, including Internal Controls were reviewed at a meeting held on 27/4/2020 (Ref: FC20/065):*

- *Fryerning Cemetery*
- *Business Continuity*
- *Financial*
- *Fairfield Recreation Ground*
- *Planning Committee*
- *Parish Office*
- *Seymour Pavilion and Field*

*The RoSPA play area inspection report was considered at a meeting held on 13/7/2020 (Ref: FA20/040).*

*The Council have effective internal financial controls in place. 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 below the recommended guidelines of year end balances plus 50% of the precept.*

*It is noted that Fidelity cover was reviewed in the previous year and deemed adequate.*

## **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: **No**

Website: [www.ingatestone-fryerningpc.gov.uk](http://www.ingatestone-fryerningpc.gov.uk)

*The Council is not subject to the requirements of the Transparency Code for smaller Councils. The Transparency Code for Councils with a turnover exceeding £200,000 is not covered as part of the Internal Audit.*

Under **The Accounts & Audit Regulations 2015 15(15)** councils must publish on their website:

External audit report

*2019 Annual Return, Section Three Published – Yes*

Under **The Accounts & Audit Regulations 2015 15(2b)** councils must publish on their website:

Notice of period for the exercise of public rights

*Published – Yes*

Period of Exercise of Public Rights

Start Date **15/6/2020**

End Date **24/7/2020**

## **Budgetary controls**

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

Precept: £173,839 (2021-2022)

Date: 4/2/2021 (Ref: FC21/023)

Precept: £173,839 (2020-2021)

Date: 9/1/2020 (Ref: FC20/014)

*Effective 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.*

<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 petty cash system is in place with supporting paperwork. A sample of receipts were examined from April 2020 to March 2021 and cross referenced with vouchers and the cash book.</i></p>												
<b>Payroll controls</b>	<p>PAYE and NIC in place where necessary.  Compliance with Inland Revenue procedures  Records relating to contracts of employment</p> <p>PAYE System in place: Yes</p> <p><i>The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. All supporting paperwork is in place and P60s are produced by the payroll provider as part of the year end process.</i></p> <p><i>It is noted that the Council undertook a review of salaries at a meeting held on 10/9/2020 (Ref:PC20/036).</i></p>												
<b>Asset control</b>	<p>Inspection of asset register and checks on existence of assets  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 £211,636.29. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.</i></p>												
<b>Bank Reconciliation</b>	<p>Regularly completed and cash books reconcile with bank statements</p> <p><i>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.</i></p> <p><i>Bank Balances at 31 March were confirmed as:</i></p> <table border="0" style="margin-left: 40px;"> <tr> <td><i>Unity Trust Deposit</i></td> <td><i>xxxx6137</i></td> <td><i>£80,318.39</i></td> </tr> <tr> <td><i>Yorkshire BS</i></td> <td><i>xxxx3207</i></td> <td><i>£86,459.88</i></td> </tr> <tr> <td><i>Nationwide Saver</i></td> <td><i>xxxx2710</i></td> <td><i>£86,475.34</i></td> </tr> <tr> <td><i>Unity Trust Current</i></td> <td><i>xxxx5378</i></td> <td><i>£21,552.65</i></td> </tr> </table>	<i>Unity Trust Deposit</i>	<i>xxxx6137</i>	<i>£80,318.39</i>	<i>Yorkshire BS</i>	<i>xxxx3207</i>	<i>£86,459.88</i>	<i>Nationwide Saver</i>	<i>xxxx2710</i>	<i>£86,475.34</i>	<i>Unity Trust Current</i>	<i>xxxx5378</i>	<i>£21,552.65</i>
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**Reserves**

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

*The Council have adequate general reserves in their year end 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 an Income & Expenditure basis. Creditors and Debtors are identified within the year end accounts.*

*There is a slight discrepancy in the balance sheet of £303 relating to an outstanding receipt which will affect the draft figures in the AGAR Section 2. The Clerk has corrected the error and will make the necessary adjustments.*

**Sole Trustee**

The Council has met its responsibilities as a trustee

*The Council is not a sole trustee.*

**Internal Audit Procedures**

*The 2020 Internal Audit report was considered by the Council at a meeting held on 11/5/2020 (Ref: FC20/084).*

**External Audit**

*The External Auditor's report was considered at a meeting held on 6/8/2020 (Ref: FC20/137).*

*There were no matters of significance arising from the External Audit.*

**Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 11/5/2020. 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



**Heather Heelis**  
**Heelis & Lodge**  
15 April 2021

Contact details : 1 Hembling Terrace, Mill Lane, Suffolk, IP13 0PP  
Tel: 07732 681125  
Email: heather@heelis.eu

Heather Heelis Dip HE Local Policy FILCM  
Lynne Lodge Dip HE Local Policy

# HEELIS&LODGE

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

## INVOICE

**To:**

Ingatestone & Fryerning Parish Council 4 The Limes Ingatestone Essex CM4 0BE
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Invoice No: HL9141
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Date: 15 April 2021
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Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for Ingatestone & Fryerning Parish Council for the year ended 31 March 2021	1	310.00	310.00
Total			310.00

Please make cheques payable to: Heelis & Lodge

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

Terms – 30 days

Thank you.

**HEELIS&LODGE**

Contact details : 1 Hembling Terrace, Mill Lane, Suffolk, IP13 0PP

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