

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Polstead 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: £30,236.66 Expenditure: £18,635.25 Reserves: £42,030.94

AGAR Completion:

Section One: [No – draft figures available](#)

Section Two: [No](#)

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: [18/7/2019 \(Ref:19/123\)](#)

Financial Regulations in place: [Yes](#)

Reviewed: [21/11/2019 \(Ref: 19/192\)](#) and [19/3/2020 \(Ref: 20/047\)](#)

VAT reclaimed during the year: [Yes \(1/4/2020\)](#)

Registered: [No](#)

General Power of Competence: [Yes](#)

[The Council resolved that they had met the eligibility criteria and therefore adopted the General Power of Competence at a meeting held on 16/5/2019 \(Ref: 19/070\).](#)

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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 (Ref: Z3565757)

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 Assessment and Internal Controls were reviewed at a meeting held on 16/1/2020 (Ref: 20/018 and 20/019).

The Council have effective 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 (Ref: Inv 3381 – AIS Services Ltd and min ref: 18/4/2019 – item 19/063).

Bank signatories were confirmed at the Annual meeting held on 16/5/2019 (Ref: 19/082.f).

Covid-19:

The Council have made adequate provision to ensure the day to day running of the Parish Council is effectively carried out during the Covid-19 outbreak (Ref: 19/3/2020 (Ref: 20/047).

Fidelity Cover: £150,000

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 \(2019\)](#)

Website: www.polstead.onesuffolk.net

- a) all items of expenditure above £100
Published – Yes
- b) end of year accounts (By 1 July)
2018 Annual Return, Section One Published – Yes
- c) annual governance statement (By 1 July)
2018 Annual Return, Section Two Published – Yes
- d) internal audit report (By 1 July)
2018 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.

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

- h) external audit report
2019 Annual Return, Section Three 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 (2019)
Published – Yes

Period of Exercise of Public Rights

Start Date 17/6/2019

End Date 26/7/2019

Budgetary controls supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £18,668 (2019-2020)

Date: 17/1/2019 (Ref: 19/011b)

Precept: £18,596 (2020-2021)

Date: 16/1/2020 (Ref: 20/010.b)

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

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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. No Petty Cash held.

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. Payroll is outsourced. All supporting paperwork is in place and a P60 has been produced as part of the year end process.

It is noted that the Council undertook a review of salaries at a meeting held on .

Asset control

Inspection of asset register and checks on existence of assets
Cross checking on insurance cover

A separate asset register is in place. This was reviewed at a meeting held on 19/3/2020 (Ref: 20/051.a). Values are recorded at cost value/insurance value. The total value of assets are recorded at £56,115.27. The figure in the asset register corresponds with the draft figure for Section 2, Box 9 of the AGAR.

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.

Bank Balances at 31/3/2020 were confirmed as:

<i>Barclays Current</i>	<i>£42,358.60</i>
<i>Barclays Savings</i>	<i>£3,333.42</i>

Reserves

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

The Council have adequate general reserves (£13,413) and have identified earmarked reserves (£28,617) in the draft minutes of 19/3/2020.

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 2019 Internal Audit report was considered by the Council at a meeting held on 16/5/2019 (Ref: 19/082.a).

A review of the effectiveness of the Internal Audit was carried out on 16/1/2020 (Ref: 20/019).

External Audit

The External Auditor's report was considered at a meeting held on 19/9/2019 (Ref: 19/149.a).

There were no matters arising from the External Audit.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 16/5/2018, 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 his assistance during the course of the audit work



**Heather Heelis
Heelis & Lodge**

19 April 2020

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INVOICE

To:

Polstead Parish Council
Cragston
Sudbury Road
Newton Green
Sudbury
Suffolk, CO10 0QH

Invoice No: HL9082

Date: 19 April 2020

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for Polstead Parish Council for the year ended 31 March 2020 Banding fee £25,001 - £50,000	1	180.00	180.00
Total			180.00

Please make cheques payable to: Heelis & Lodge

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

Terms – 30 days

Thank you.

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