

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Polstead Parish Council – 2014/15**

Income: £20,877

Expenditure: £14,096

Reserves: £29,408

### Annual Return Completion:

Section One: [Yes - draft](#)

Section Two: [No](#)

Section Four: [Yes](#)

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

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

[All were found to be in order. LGA1972 s137 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.](#)

**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: [20/11/2014](#) (Ref: [14/208](#))

Financial Regulations in place: [Yes](#)

Reviewed: [23/10/2014](#) (Ref: [14/194b](#))

VAT reclaimed during the year: [Yes \(14/4/2015 - £341.67\)](#) Registered: [No](#)

General Power of Competence: [No](#)

[Financial Regulations and Standing Orders in place.](#)

Contact details : Hall Farm House, Loudham Lane, Pettistree, Suffolk, IP13 0NQ

Tel: 07732 681125

Email: [enquiries@heelisandlodge.co.uk](mailto:enquiries@heelisandlodge.co.uk)

Heather Heelis Dip HE Local Policy PILCM

Lynne Lodge Dip HE Local Policy

**Risk Assessment**

Appropriate procedures in place for the activities of the council

Risk Assessment document in place: Yes

Data Protection registration: Yes

Insurance was in place for the year of audit. The Risk Assessment was reviewed on 22/1/2015. All was in order.

Insurance and a comprehensive Risk Assessment is also in place for the Polstead Cherry Fayre.

Fidelity Cover: £150,000

The level of Fidelity cover is within the recommended guidelines of year end balances plus 50% of the precept.

**Budgetary controls**

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

Precept: £17,810

Date: 16/1/2014 (Ref: 14/020d)

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 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 are operating RTI in accordance with HMRC regulations. Regular payments have been made to HMRC and a P60 produced as part of the year end procedures. Detailed pay slips are produced.

<b>Asset control</b>	<p>Inspection of asset register and checks on existence of assets Cross checking on insurance cover</p> <p>A separate asset register is in place. The cost value/purchase price of assets are recorded in the asset register and in Box 9, Section 1 of the Annual Return.</p>
<b>Bank Reconciliation</b>	<p>Regularly completed and cash books reconcile with bank statements</p> <p>All were in order. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts.</p>
<b>Year-end procedures</b>	<p>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.</p> <p>End of year accounts are prepared on a Receipts and Payments basis and were all in order. Sample audit trails were undertaken and all were found to be in order.</p>
<b>Sole Trustee</b>	<p>The Council has met its responsibilities as a trustee</p> <p>The Council is not a sole trustee.</p>
<b>Internal Audit Procedures</b>	<p>The Council have good internal financial controls in place. Cheque stubs are initialled by signatories. However, it is noted that on occasions this does not happen: Cheques 101724-101729, 101734-101741 and 101749-101757 have not been initialled. The Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.</p> <p><b>Recommendation:</b> To ensure all cheque stubs are initialled by the signatories signing the cheques.</p> <p>The Council reviewed the effectiveness of the internal audit at a meeting held on 22/1/2015 (Ref: 15/018). An Audit Plan is in place.</p> <p>Heelis &amp; Lodge were appointed Internal Auditors for the year 2014-2015.</p>
<b>External Audit</b>	<p>There were no matters raised by the External Auditor in relation to the 2013-2014 External Audit.</p>

### **Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 15/5/2014, within the required timescale. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- Minutes are signed and dated. Loose leaf minutes are sequentially numbers and pages initialled by the presiding Chairman.
- 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 and in particular the well presented accounts submitted for the audit.



**Heather Heelis**  
**Heelis & Lodge**  
21 April 2015

# HEELIS&LODGE

Local Council Services • Internal Audit

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

## INVOICE

**To:**

Invoice No: HL3009

Date: 21 April 2015

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

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for Polstead Parish Council for the year ended 31 March 2015	1	108.00	108.00
Total			108.00

Contact details : Hall Farm House, Loudham Lane, Pettistree, Suffolk, IP13 0NQ

Tel: 07732 681125

Email: [enquiries@heelisandlodge.co.uk](mailto:enquiries@heelisandlodge.co.uk)

Heather Heelis Dip HE Local Policy PILCM

Lynne Lodge Dip HE Local Policy

Please make cheques payable to: Heelis & Lodge

Terms – 30 days

Thank you.

**HEELIS&LODGE**

Contact details : Hall Farm House, Loudham Lane, Pettistree, Suffolk, IP13 0NQ

Tel: 07732 681125

Email: [enquiries@heelisandlodge.co.uk](mailto:enquiries@heelisandlodge.co.uk)

Heather Heelis Dip HE Local Policy PILCM

Lynne Lodge Dip HE Local Policy