

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Polstead 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: £19,722                      Expenditure: £16,209                      Reserves: £30,430

### AGAR Completion:

Section One: [Yes - draft](#)

Section Two: [Yes - draft](#)

Annual Internal Audit Report 2018/19: [Yes](#)

Certificate of Exemption: [No](#)

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

*All were found to be in order. LGAs137 and VAT payments are tracked where appropriate 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: [19/7/2018 \(Ref: 18/125\)](#)

Financial Regulations in place: [Yes](#)

Reviewed: [19/7/2018 \(Ref: 18/125\)](#)

VAT reclaimed during the year: [Yes](#)      Registered: [No](#)

General Power of Competence: [No](#)

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

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## 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

### **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. The financial risk associated with the new Data Protection Regulations forms part of the Council's Risk Assessment.*

Privacy Policy published: Yes

*Insurance was in place for the year of audit. The Risk Assessment, including Internal Controls, was reviewed on 17/1/2019 (Ref: 19/012) and again on 21/3/2019 (Ref: 19/048). Internal Controls were reviewed on 17/1/2019 (Ref: 19/013).*

*The Council have good internal financial controls in place. Cheque stubbs 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: Yes

Website: <http://polstead.onesuffolk.net/polstead-parish-council/>

- 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*

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g) Minutes, agendas and meeting papers of formal meetings  
*Published – Yes*

*The Council have met the requirements of the Transparency Code.*

### **Budgetary controls**

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

Precept: £18,302 (2018-2019) Date: 18/1/2018 (Ref: 18/010b)

Precept: £18,668 (2019-2020) Date: 17/1/2019 (Ref: 19/011b)

*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. 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.*

### **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. All supporting paperwork is in place and a P60 has been produced as part of the 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 and was reviewed at a meeting held on 21/3/2019 (Ref: 19/044a). Values are recorded at cost value. The total value of assets are recorded at £55,637.86. The figure in the asset register corresponds 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. 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 31/3/2019 were confirmed as:*

<i>Barclays xxxx5451</i>	<i>£31,223.46</i>
<i>Barclays xxxx0035</i>	<i>£3,327.27</i>

**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 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 17/1/2019 (Ref: 19/013).*

*The Internal Audit report was considered by the Council at a meeting held on 17/5/2018 (Ref: 18/086a).*

*Heelis & Lodge were appointed Internal Auditor at a meeting held on 17/5/2018 (Ref: 18/078).*

**External Audit** *The External Auditor's report was considered at a meeting held on 20/9/2018 (Ref: 18/141).*

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

**Period of Exercise of Public Rights** Start Date *17/6/2019* End Date *26/7/2019*

### **Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 17/5/2018, 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**  
14 May 2019

# HEELIS&LODGE

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

## INVOICE

**To:**

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

Invoice No: HL9042

Date: 14 May 2019

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for Polstead Parish Council for the year ended 31 March 2019	1	128.00	128.00
Total			128.00

Please make cheques payable to: Heelis & Lodge

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

Terms – 30 days

Thank you.

**HEELIS&LODGE**

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