

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Burstall 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: £4,729.00                      Expenditure: £3,529.34                      Reserves: £10,749.16

### AGAR Completion:

Section One: [Yes signed](#)

Section Two: [Yes signed](#)

Annual Internal Audit Report 2019/20: [Yes](#)

Certificate of Exemption: [Yes signed](#)

**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 and identified within the year end accounts. The cashbook is referenced providing a clear audit trail. Supporting paperwork is in place and 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: [Not reviewed during year of audit.](#)  
Financial Regulations in place: [Yes](#)  
Reviewed: [Not reviewed during year of audit.](#)

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

General Power of Competence: [No](#)

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

***Recommendation (1): To update Standing Orders and Financial Regulations to incorporate reference to the Public Contracts Regulations 2015.***

**Recommendation (2):** *The council to review Standing Orders and Financial Regulations during each Audit year and minute the action taken.*

**Recommendation (3):** *To ensure that VAT is reclaimed back from HMRC and minute the action taken.*

## **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:            No

### **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. It is advised that, due to the financial risk associated with the new Data Protection Regulations, this should form part of the Council's Risk Assessment.*

**Recommendation (4):** *To include reference to GDPR in the Council's Risk Assessment.*

**Recommendation (5):** *To register with the ICO for Data Protection.*

Privacy Policy published: *No*

*Insurance was in place for the year of audit. The Risk Assessment was reviewed at a meeting held on 9<sup>th</sup> March 2020 (Ref: 10.3). Internal Controls were reviewed at a meeting held on 20<sup>th</sup> May 2019 (Ref: 12.19).*

*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:    £25,000

*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**

Website: [www.burstall.suffolk.cloud](http://www.burstall.suffolk.cloud)

- a) all items of expenditure above £100  
*Published – Yes*
- b) annual governance statement (By 1 July)  
*2019 Annual Return, Section One Published – Yes*
- c) end of year accounts (By 1 July)  
*2019 Annual Return, Section Two Published – Yes*
- d) internal audit report (By 1 July)  
*2019 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 for smaller councils.*

Under **The Local Audit (Smaller Authorities) Regulations 2015 9(6 & 7)** a smaller council having certified itself as an Exempt Authority must publish on their website:

- h) Certificate of Exemption  
*Certificate of Exemption 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  
*Published – Yes*

<b>Budgetary controls</b>	<p>Verifying the budgetary process with reference to council minutes and supporting documents</p> <p>Precept: £4,729.00 (2019-2020)      Date: 21<sup>st</sup> January 2019 (Ref: 68.18)  Precept: £4,824.00 (2020-2021)      Date: 13<sup>th</sup> January 2020 (Ref: 7.1c)</p> <p><i>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.</i></p>
<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 expenses system is in place with supporting paperwork. No Petty Cash held.</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: <b>Yes - PAYE Tools</b></p> <p><i>The Council continue to operate RTI in accordance with HMRC regulations. All supporting paperwork is in place but a P60 has not been produced as part of the year end process. The Council has not joined the LGPS / NEST pension scheme.</i></p> <p><b>Recommendation (6):</b> <i>Copy of P60 to be maintained in Audit File as part of year-end process.</i></p> <p><i>It is noted that the Council appointed a new Clerk at its meeting on the 15<sup>th</sup> July 2019 (Ref: 27.19)</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 £3,990. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.</i></p>

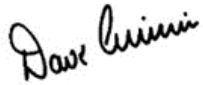
<b>Bank Reconciliation</b>	<p>Regularly completed and cash books reconcile with bank statements</p> <p><i>All were in order. Bank Reconciliations are carried out regularly. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts.</i></p> <p><i>Reconciled Bank Balances as at 30<sup>th</sup> March 2010 were confirmed as:</i></p> <table border="0"> <tr> <td><i>Lloyds Treasurers</i></td> <td style="text-align: right;"><i>£10,785.16</i></td> </tr> </table> <p><b><i>Recommendation (7):</i></b> <i>Use the bank balance as at the 31<sup>st</sup> March for the reconciliation.</i></p>	<i>Lloyds Treasurers</i>	<i>£10,785.16</i>
<i>Lloyds Treasurers</i>	<i>£10,785.16</i>		
<b>Reserves</b>	<p>General Reserves are reasonable for the activities of the Council Earmarked Reserves are identified</p> <p><i>The Council have adequate general reserves (£10,749.16).</i></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><i>End of year accounts are prepared on a Receipts &amp; Payments basis.</i></p>		
<b>Sole Trustee</b>	<p>The Council has met its responsibilities as a trustee</p> <p><i>The Council is not a sole trustee.</i></p>		
<b>Internal Audit Procedures</b>	<p><i>The 2019 Internal Audit report was considered by the Council at a meeting held on 20<sup>th</sup> May 2019 (Ref: 12.19).</i></p> <p><b><i>Recommendation (8):</i></b> <i>When applicable, the council's response to the Internal Audit recommendations should be contained in the minutes of the meeting.</i></p> <p><i>A review of the effectiveness of the Internal Audit was not carried out during the year of Audit.</i></p> <p><b><i>Recommendation (9):</i></b> <i>It is a requirement to review the effectiveness of the internal audit during the year of accounts.</i></p> <p><i>Heelis &amp; Lodge were not appointed as Internal Auditor at a meeting held during the year of Audit.</i></p> <p><b><i>Recommendation (10):</i></b> <i>It is a requirement to appoint the Internal Auditor and record the decision in the minutes of the meeting.</i></p>		

**External Audit**

*The Council declared themselves Exempt from External audit for the 2018-2019 financial year.*

**Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 20/05/2019 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.



**Dave Crimmin PSLCC  
Heelis & Lodge**

6<sup>th</sup> August 2020

# HEELIS&LODGE

Local Council Services • Internal Audit

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

## INVOICE

**To:**

Burstall Parish Council  
24 Church Crescent  
Sproughton  
IP8 3BJ

Invoice No: HLD1055

Date: 6<sup>th</sup> August 2020

Details	Quantity	Amount (£)	Total (£)
To carry out Year-end Internal Audit for Burstall Parish Council for the year ended 31 March 2020.	1	50.00	50.00
Return courier service	1	15.00	15.00
Total			65.00

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, Campsea Ashe, Suffolk IP13 0PP  
Tel: 07732 681125  
Email: [heather@heelis.eu](mailto:heather@heelis.eu)

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