

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Wroxham 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: £50,563

Expenditure: £80,491

Reserves: £70,928

### AGAR Completion:

Section One: Yes not signed

Section Two: Yes not signed

Annual Internal Audit Report 2019/20: Yes

Certificate of Exemption: N/A

**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 from the date of its adoption. The cashbook is referenced providing a clear audit trail. Supporting paperwork is in place and well referenced.*

**Recommendation (1):** After the 4<sup>th</sup> July 2019 the GPoC should be used rather than S137.

**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: 5<sup>th</sup> September 2019 (Ref: 12.3)

Financial Regulations in place: Yes

Reviewed: Finance Committee 27<sup>th</sup> November 2019 (Ref: 13c)

VAT reclaimed during the year: Yes

Registered: No

General Power of Competence: Yes – adopted 4<sup>th</sup> July 2019 (Ref: 16.1)

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

**Recommendation (2):** To update Standing Orders to incorporate reference to the Public Contracts Regulations 2015.

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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 – Z2191726 Expiry 23/02/2021

### **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, including Internal Controls were reviewed at a Finance meeting held on 16<sup>th</sup> May 2019 (Ref: 16).*

*The Council have good internal financial controls in place. Payment schedules are signed by signatories. However, invoices are not 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 4<sup>th</sup> July 2019 (Ref: 14).*

Fidelity Cover: £100,000

*The level of Fidelity cover is above 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: No

Website: [www.wroxhamparishcouncil.org](http://www.wroxhamparishcouncil.org)

*The Council is not subject to the requirements of the Transparency Code for smaller Councils.*

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

*Published – Yes*

Period of Exercise of Public Rights

Start Date 17<sup>th</sup> June 2019

End Date 26<sup>th</sup> July 2029

## Budgetary controls

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

Finance Committee set Precept: £35,500 (2019-2020)

Date: 20<sup>th</sup> September 2018 (Ref: 10b)

Precept: £40,825 (2020-2021)

Date: 5<sup>th</sup> December 2019 (Ref: 10.3)

*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. No Petty Cash held.*

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**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 – LGS Services

*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. The Council have joined the LGPS pension scheme.*

**Asset control**

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

*A separate asset register is in place. Values are recorded at insurance value. The total value of assets are recorded at £232,515. 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.*

*Reconciled Bank Balances as at 31<sup>st</sup> March 2020 were confirmed as:*

<i>Barclays Community</i>	<i>£13,345.10</i>
<i>Barclays Business</i>	<i>£ 7,583.07</i>
<i>Lloyds Treasurers</i>	<i>£50,000.00</i>

**Reserves**

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

*The Council have general reserves (£8,985) and have identified earmarked reserves (£61,943) in their Budget for 2020 / 2021.*

**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 6<sup>th</sup> June 2019 (Ref: 15.2)*

*A review of the effectiveness of the Internal Audit was carried out on 6<sup>th</sup> June 2019 (Ref: 15.2)*

*Heelis & Lodge were appointed as Internal Auditor at a Finance meeting held on 23<sup>rd</sup> September 2019 (Ref: 11c).*

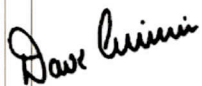
## **External Audit**

*The External Auditor's report was considered at a meeting held on 3<sup>rd</sup> October 2019 (Ref: 16.3)*

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

## **Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 09/05/2019 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.
- I would like to record my appreciation to the Clerk to the Council for her assistance during the course of the audit work
- I would like to record my appreciation to the Clerk to the Council for the quality of documentation presented in the Audit File.



**Dave Crimmin PSLCC  
Heelis & Lodge**

27<sup>th</sup> June 2020

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