



Advisory Service

Local Council Internal Audit
Report

Year ending: 31st March 2018

Name of Council:	Chelmondiston Parish Council
Income:	£34,973.18
Expenditure:	£25,581.12
Precept Figure:	£24,430.00
General Reserve:	£36,619.41
Earmarked Reserves:	£34,107.37

Annual Return Completion:

Section One:	Signed and completed
Section Two:	Signed and completed
Internal Audit:	Signed and completed

The following Internal Audit was carried out on the adequacy of systems of control.

The following recommendations/comments have been made:

1. Proper Book-Keeping

Cash Book, regular reconciliation of books and bank statements, supporting vouchers, invoices and receipts.

Chelmondiston Parish Council use an Income and Payments system in Excel for their accounts. Monthly bank reconciliation is provided with invoices and payments and is well documented from council approval minutes through to payments.

2. Financial Regulations

Standing Orders and Financial Regulations, Tender details and conforming to 2015 Procurement Regulations, appropriate payment controls including acting within the legal framework with reference to council minutes. Identifying VAT Payments and reclamation. Cheque books, paying books and other relevant documents.

Standing Orders in place and last updated:

Standing Orders are in place and were last updated on 6th March 2018 (minute 459 – item 22)

Financial Regulations in place and last updated:

Financial regulations are in place and were last updated 7th November 2017 (Minute No:444 item 13.2)

Supporting paperwork for payments and appropriate authorisation:

All invoices and cheque stubs contain two signatories and all authorisation is supported by the minutes.

VAT reclaimed during the year:

All VAT has been separately recorded and is reclaimed yearly.

Last year's VAT was reclaimed = £1254.99 and has been received.

Does the Council use General Power of Competence and when was it adopted or last confirmed

The council has not adopted the General Power of competence

S137 separately recorded and minuted:

S137 has been separately recorded and has been designated under the correct section and in line with expenditure under this cap

Does the council have any loans in place? **NO**

Date of approval from the Secretary of State (DCLG). **N/A**

Payments of interest and principal sums in respect of loans are paid in accordance with agreements. **N/A**

Code of Conduct. Date of adoption. Register of interests published on the council's website.

Suffolk code of conduct was adopted on 1st July 2014 and is the updated version.

Registers of Interest can be found on the council's website: <http://chelmondiston.onesuffolk.net/the-parish-council/documents-and-policies/>

3. Risk Management

Appropriate procedures in place for the activities of the council.

The council has a robust financial Risk assessment in place and this was updated on 23th October 2017 – minute1.1

Appropriate insurance cover for employer's liability, public liability and fidelity guarantee. Cover of events if applicable.

Public Liability = £10,000,000.00

Employer's Liability = £10,000,000.00

Fidelity Cover = £100,000.00

All are within guidelines for a council of this size.

insurance cover for Corporate Manslaughter and Corporate Homicide?

Insured for Legal Fees.

Recommendation: Under Corporate Manslaughter and Corporate Homicide an officer or councillor can hold an individual responsibility, we would urge the council to provide this cover.

Cover for a breach of Data Protection?

Councillors and officers are currently protected under the data Protection Act 1984.

However, we understand that Insurance companies are currently updated their wording to include the New GDPR regime.

Recommendation: That the council check that their insurance company does update this section.

4. Budgetary controls

Verifying that the budget has been properly prepared and agreed with reference to council minutes and supporting documents.

A budget was properly prepared and agreed 6th December minute 3.2 and 3.4

It was agreed that the council would not raise the precept for 2017-2018 and that the precept would stay at £24,430.00 due to the reserves held by the council.

Regular reporting of expenditure and variances from budget.

Expenditure is reported to Full Council every month with a breakdown of Income and expenditure and also with a bank reconciliation. Any variance is also reported monthly and a variance report has been produced with detailed explanation.

5. Income Controls

Precept and other income, including credit control mechanisms.

Precept has been paid in two instalments –

1. 10th April 2017 - £12,215.00
2. 25th Sept 2017 = £12,970.75
= Precept £24,430.00

= Recycling Credit £755.75

6. Petty cash/expenses procedure

Established system in place and associated supporting documents.

No Petty cash is used although it is noted that a small float of £14.00 is used for the Recycle Centre..

7. Payroll controls

Salary payments including deductions for PAYE/NIC. Compliance with Inland Revenue procedures.

All salary payment and deductions have been paid in compliance with Inland revenue procedures.

Records relating to contracts of employment. Contract for the clerk was provided

Has your council auto-enrolled with the Pension Regulator? The council has auto-enrolled and has completed a declaration of compliance.

The council has auto-enrolled with the Pension regulator and a declaration of compliance was received.

Did you give your employees the opportunity to opt in or out of a pension scheme?

Information supplied only applies to the previous clerk - Opt in was given to the previous clerk

Please supply copies of letters. Letter has been produced for the new clerk and the Pension Regulator has also been notified.

8. Asset control

Inspection of asset register. Annual review of register. Cross checking of Insurance cover.

The asset register was provided and had been updated in September 2017 to coincide with the Insurance renewal and was also checked again and updated on 23rd October 2017 – minute 1.1 (c).

Assets were cross checked against insurance cover and all is in order.

Assets Total: £740,600.00

9. Bank reconciliation

Regularly completed and cash books reconcile with bank statements.

Lloyds Business Bank Instant = £68,297.32

Lloyds treasurers Account = £2,415.46.

= £70,712.78

Less Unpresented cheques = £42.48

Total Balance = £70,670.30

Plus £14.00 Dinghy club Float - £14.00

Total Balance = £70,684.30

All figures agree with the year-end balance.

10. Year-end procedures

Appropriate accounting procedures used and can be followed through from working papers to final documents. Verifying sample payments and income. Checking creditors and debtors where appropriate.

Accounting procedures for this council are excellent. All accounts and paperwork are well referenced and documents and is always referred back to the council's minutes.

Year-end procedures all balance and Bank reconciliation report also balances.

11. Sole Trustee

Has the Council has met its responsibilities as a trustee (If applicable).

The council is not a trustee.

12. Internal Audit procedures

Date review completed: 28th May 2018

Recommendations from previous internal audit:

There were no recommendations from the previous audit.

13. Additional comments

Annual meeting of the council: Tuesday 2nd May 2017 – 7.30pm

Annual meeting of the parish/town: Tuesday 23rd May – 7.00pm

Appointment of internal auditor: Not needed as same as last year - LCPAS

Transparency code for smaller/Larger authorities:

Is the council registered with the ICO? The council is registered with the ICO – Registration Reference ZA152470 and expires 6th December 2018

Has your council appointed a Data Protection Officer? Yes – Jayne Cole – Local Council Public Advisory Service.

Is the council working towards the New General Data Regulations Regime? The clerk has attended training and the council are currently working towards compliance.

Julia Prior DCEO

Julia Prior

Local Council Public Advisory Service

Date: 28th May 2018

Local Council Public Advisory Service

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