

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Boxted 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: £82,390      Expenditure: £69,244      Reserves: £26,095

### AGAR Completion:

Section One: **No - blank**

Section Two: **No - blank**

Annual Internal Audit Report 2018/19: **Yes**

Certificate of Exemption: **Not applicable**

**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 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: **13<sup>th</sup> June 2018 - Minute 18/046**

Financial Regulations in place: **Yes**

Reviewed: **13<sup>th</sup> June 2018 - Minute 18/046**

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.*

## 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 - ZA0920205 - Expiry 25<sup>th</sup> January 2020

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

Privacy Policy published: *No*

*Insurance was in place for the year of audit. The Risk Assessment was reviewed on 10<sup>th</sup> October 2018 - Minute 18/103.3 Internal controls were reviewed on 13<sup>th</sup> June 2018 - Minute 18/053.1*

*The annual inspection has been undertaken on the 3 play areas.*

*The Council have satisfactory internal financial controls in place. Payment authorities 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: £250,000

*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: *No*

Website: [www.essexinfo.net/boxted-parish-council/](http://www.essexinfo.net/boxted-parish-council/)

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

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

Precept: £47,837 (2018/2019) Date: 10<sup>th</sup> January 2018 - Minute 119/17

Precept: £49,272 (2019/2020) Date: 9<sup>th</sup> January 2019 - Minute 19/016

*Satisfactory 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

*No Petty Cash held*

*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 - Moneysoft Payroll Manager*

*The Council continue to operate RTI in accordance with HMRC regulations. All supporting paperwork is in place and P60's have been produced as part of the year end process. The Council have joined the LGPS pension scheme.*

*At the meeting held on 13<sup>th</sup> February 2019 - Minute 19/035 pay increases from the 1<sup>st</sup> April 2019 were agreed.*

**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 the last valuation and not always at the cost or proxy value. The total value of assets are recorded at £1,327,086. Unable to verify if the figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR as the AGAR is blank.*

***Recommendation (2):*** *To ensure that the asset register is maintained as per Governance and Accountability for Smaller Authorities in England - March 2018 Section 5.58 (March 2019 Section 5.60)*

<b>Bank Reconciliation</b>	<p>Regularly completed and cash books reconcile with bank statements</p> <p><i>All were in order. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts. Bank balances as at 31<sup>st</sup> March 2019 were confirmed as:</i></p> <table border="0"> <tr> <td><i>Lloyds Treasurers (**5800)</i></td> <td style="text-align: right;"><i>£23,304.61</i></td> </tr> <tr> <td><i>Lloyds Treasurers (**1368)</i></td> <td style="text-align: right;"><i>£ 2,790.86</i></td> </tr> </table>	<i>Lloyds Treasurers (**5800)</i>	<i>£23,304.61</i>	<i>Lloyds Treasurers (**1368)</i>	<i>£ 2,790.86</i>
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<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 and have identified earmarked reserves in their year-end accounts</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 the sole trustee for:</i></p> <p><i>Poor's Land (Camping Close) - CC Ref 301259 - Accounts for year ended 31<sup>st</sup> March 2018 updated on 12<sup>th</sup> January 2019.</i></p> <p><i>Boxted Village Hall - CC Ref 301258 - Accounts for year ended 31<sup>st</sup> July 2018 updated on 12<sup>th</sup> January 2019.</i></p>				
<b>Internal Audit Procedures</b>	<p><i>The Council reviewed the effectiveness of the internal audit at a meeting held on 13<sup>th</sup> June 2018 - Minute 18/053.2</i></p> <p><i>The Internal Audit report was considered by the Council at a meeting held on 13<sup>th</sup> June 2018 - Minute 18/053.2</i></p> <p><i>Heelis &amp; Lodge were appointed Internal Auditor at a meeting held on 11<sup>th</sup> April 2018 - Minute 18/013 and 13<sup>th</sup> June 2018 - Minute 18/053.2</i></p>				

**External Audit**

*The External Auditor's report was not considered by the Council at a meeting during the year of Audit.*

*There were no matters raised by the External Auditor in relation to the 2017-2018 External Audit.*

***Recommendation (3):*** *It is a requirement that the External Auditor's report be reviewed at a meeting which is to be recorded in the minutes along with any actions to be taken.*

**Period of Exercise of Public Rights**Start Date *2<sup>nd</sup> July 2018*End Date *10<sup>th</sup> August 2018***Additional Comments/Recommendations**

- The Annual Parish Council meeting was held on 09/05/2018, 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 her assistance during the course of the audit work



**Dave Crimmin PSLCC**  
**Heelis & Lodge**  
21<sup>st</sup> May 2019