

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Ramsden Crays Parish Council – 2020/2021

The following Internal Audit was carried out on the adequacy of systems of control. The following recommendations/comments have been made:

Income: £14,288

Expenditure: £11,901

Reserves: £9,847

AGAR 2020 / 2021 Completion:

Section One: No

Section Two: Yes not signed – Box 4 Staff Costs should now only include Salary, Tax, NI and Pension

Annual Internal Audit Report 2020 / 21: Yes

Certificate of Exemption: Yes not signed

Council Minutes

From the minutes presented to me in the Audit file, Ramsden Crays Parish Council met on 5 occasions during the year of Audit:

17th December 2020 (Meeting called by Clerk) – two sets of differing minutes presented, only one signed by the Chairman.

21st January 2021 (Meeting called by Clerk) – two sets of differing minutes presented, only one signed by the Chairman.

15th February 2021 - one version of minutes signed by the Chairman.

19th February 2021 (Extraordinary meeting called by Chairman) – one version of minutes signed by the Chairman.

15th March 2021 (Meeting called by Chairman) – one version of minutes not signed by the Chairman.

Only the Minutes of the meetings held on 17th December 2020 and 21st January 2021 appear on the Council's website but both of these relate to the unsigned version of the minutes in the Audit file.

Based on the above findings, I will only review the four sets of minutes signed by the Chairman as well as the unsigned minutes of the 15th March 2021 as part of the Internal Audit process.

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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.

The following items have been treated as Income in the Cashbook, but as they relate to cancelled cheques and a refund, they should be netted off the Payments:

20/07/2020	Chq 100367	£ 80.00
28/09/2020	Chq 100373	£758.42
28/09/2020	Chq 100374	£120.00
28/09/2020	Chq 100375	£100.00
23/11/2020	Bank Refund	£ 12.50
04/12/2020	Chq 100364	£ 40.00

Recommendation(1): Amend Cashbook as above.

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 during year of Audit.

Financial Regulations in place: Yes

Reviewed: Not during year of Audit.

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 – Z1609902 Expiry 17th July 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. There was no evidence in the minutes that the Risk Assessment, including Internal Controls, has been reviewed during the year of audit.

Recommendation (2): *To ensure the annual review of the Risk Assessment and Internal Controls is carried out during the year of audit.*

The Council have effective internal financial controls in place. When attending meetings, the Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.

There were 5 cheque payments totalling £582.02 where the authorisations could not be found in the minutes reviewed.

Fidelity Cover: £150,000

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.ramsdencrayspc.org.uk

- a) all items of expenditure above £100
Published – Yes – contained within the minutes
- b) annual governance statement (By 1 July)
2020 Annual Return, Section One Published – Yes
- c) end of year accounts (By 1 July)
2020 Annual Return, Section Two Published – Yes
- d) internal audit report (By 1 July)
2020 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 – No

The Council have yet to meet the requirements of the Transparency Code. Guidance on documents that need to be published can be found on https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/388541/Transparency_Code_for_Smaller_Authorities.pdf

Recommendation (3): *To comply with the requirements of the Transparency Code in accordance with the guidance.*

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

Period of Exercise of Public Rights

Start Date 29th January 2021

End Date 15th March 2021

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Budgetary controls	<p>Verifying the budgetary process with reference to council minutes and supporting documents</p> <p>Precept: £13,482.90 (2021 / 2022) Date: 21st January 2021 (Ref: 06/2021)</p> <p><i>Budgetary procedures are in place. The precept was agreed in full council and the precept decision and amount has been clearly minuted based on a budget and precept calculation prepared by the Chairman. 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>
Income controls	<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>
Petty Cash	<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>
Payroll controls	<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: Yes – PAYE Tools Employer PAYE Reference: 083/BA8143</p> <p><i>The Council continue to operate RTI in accordance with HMRC regulations. Supporting paperwork is in place and a P60 has been produced as part of the year end process. The Council has not joined the LGPS / NEST pension scheme.</i></p>
Asset control	<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 and was reviewed on 17th December 2020 (Ref: 61/2020v). Values are recorded at cost value. The total value of assets are recorded at £54,336. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.</i></p>

Bank Reconciliation	<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 31st March 2021 were confirmed as:</i></p> <table border="0"> <tr> <td><i>Barclays Community</i></td> <td style="text-align: right;"><i>£10,500.97</i></td> </tr> </table>	<i>Barclays Community</i>	<i>£10,500.97</i>
<i>Barclays Community</i>	<i>£10,500.97</i>		
Reserves	<p>General Reserves are reasonable for the activities of the Council Earmarked Reserves are identified</p> <p><i>The Council have adequate general reserves (£9,847)</i></p> <p>Recommendation (4): <i>The council should review whether Earmarked reserves need to be established.</i></p>		
Year-end procedures	<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 & Payments basis.</i></p>		
Sole Trustee	<p>The Council has met its responsibilities as a trustee</p> <p><i>The Council is not a sole trustee.</i></p>		
Internal Audit Procedures	<p><i>The 2019 / 2020 Internal Audit report was considered by the Council at a meeting held on 17th December 2020 (Ref: 61/2020iv).</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>Recommendation (5): <i>It is a requirement to review the effectiveness of the internal audit during the year of accounts.</i></p> <p><i>Heelis & Lodge were not appointed as Internal Auditor at a meeting held during the year of Audit.</i></p> <p>Recommendation (6): <i>It is a requirement to appoint the Internal Auditor and record the decision in the minutes of the meeting.</i></p>		
External Audit	<p><i>The Council declared themselves Exempt from External audit for the 2019 / 2020 financial year at the meeting held on 17th December 2020 (Ref: 61/2020ii).</i></p>		

Additional Comments/Recommendations

- Due to the Coronavirus pandemic, the requirement to hold the Annual Parish / Town Council meeting was removed until May 2021.
- 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

Dave Crimmin PSLCC
Heelis & Lodge
10th June 2021

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Annual Internal Audit Report 2020/21

RAMSDEN CRAYS PARISH COUNCIL

ramsdencrayspc.org.uk ADDRESS

During the financial year ended 31 March 2021, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2020/21 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.		✓	
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		✓	
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			# NONE HELD
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")	✓		
L. The authority publishes information on a website/webpage, up to date at the time of the internal audit, in accordance with the Transparency code for smaller authorities.		✓	
M. The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

10/06/2021

Name of person who carried out the internal audit

Df Cluinn on BEHALF OF HEELS + LODGE

Signature of person who carried out the internal audit

Df Cluinn

Date

10/06/2021

*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

**Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).