

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Drinkstone 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: £22,025

Expenditure: £21,947

Reserves: £17,076

AGAR 2020 / 2021 Completion:

Section One: No blank

Section Two: Yes not signed

Annual Internal Audit Report 2020 / 21: Yes

Certificate of Exemption: Yes not 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 an 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: 3rd August 2020 (Ref: 20.08.07.4)

Financial Regulations in place: Yes

Reviewed: 3rd August 2020 (Ref: 20.08.07.4)

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.

Contact details : 1 Hembling Terrace, Mill Lane, Campsea Ashe, Suffolk IP13 0PP

Tel: 07732 681125

Email: heather@heelis.eu

Heather Heelis Dip HE Local Policy PILCM

Lynne Lodge Dip HE Local Policy

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 – ZA159726 Expiry 10/02/2022

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 meeting held on 13th May 2020(Ref: 20.05.12)

The Council have good internal financial controls in place. 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.

Fidelity Cover: £50,000

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.drinkstonevillage.co.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 – 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

Period of Exercise of Public Rights

Start Date 10th August 2020

End Date 21st September 2020

Budgetary controls	<p>Verifying the budgetary process with reference to council minutes and supporting documents</p> <p>Precept: £8,920 (2020 / 2021) Date: 13th January 2020 (Ref: 20.01.10.2) Precept: £8,920 (2021 / 2022) Date: 11th January 2021 (Ref: 21.01.10.3)</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>
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: 475/KA60330</p> <p><i>The Council continue to operate RTI in accordance with HMRC regulations. All 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> <p><i>It is noted that the Council undertook a review of salaries at a meeting held on 11th January 2021 (Ref: 21.01.17).</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. Values are recorded at cost value. The total value of assets are recorded at £47,747. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.</i></p>

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 at the were confirmed as:

*Santander ****0091 was closed on the 15th June 2020*

*Santander ****5182 was closed on 13th July 2020*

*Santander ****7607 was closed on the 15th June 2020*

Unity Current 31st March 2021 £ 6,435.71

Unity Instant 28th February 2021 £10,640.90

Recommendation: *Use the bank balance as at the 31st March for the reconciliation.*

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

The Council have adequate general reserves (£10,981) and have identified earmarked reserves (£6,095) in their year-end accounts.

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 a Trustee of the Charity Registration 295860 - ALLOTMENTS FOR THE LABOURING POOR

The last annual submission of the accounts to the 31st March 2020 was on the 16th April 2020.

Internal Audit Procedures

The 2019 / 2020 Internal Audit report was considered by the Council at a meeting held on 3rd August 2020 (Ref: 20.08.10).

A review of the effectiveness of the Internal Audit was carried out on 3rd August 2020 (Ref: 20.08.10).

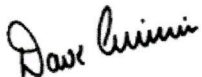
Heelis & Lodge were appointed as Internal Auditor at a meeting held on 11th January 2021 (Ref: 21.01.11)

External Audit

The Council declared themselves Exempt from External audit for the 2019 / 2020 financial year at meeting on 3rd August 2020 (Ref: 20.08.13).

Additional Comments/Recommendations

- Due to the Coronavirus pandemic, the requirement to hold the Annual Parish 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 PSLCC
Heelis & Lodge
7th May 2021

Contact details : 1 Hembling Terrace, Mill Lane, Campsea Ashe, Suffolk IP13 0PP
Tel: 07732 681125
Email: heather@heelis.eu

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