

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for West Hanningfield 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: £29,220.50

Expenditure: £24,798.31

Reserves: £15,993.79

AGAR Completion:

Section One: [Not present](#)

Section Two: [Not present](#)

Annual Internal Audit Report 2019/20: [Yes](#)

Certificate of Exemption: [Not present](#)

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 as at 9th October 2019 and LGAs137 does not apply.

The cashbook is referenced providing an audit trail. Supporting paperwork is in place and 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: [9th October 2019 \(Ref: 129/19\) & 11th March 2020 \(Ref: 33/20\).](#)

Financial Regulations in place: [Yes](#)

Reviewed: [11th December 2019 \(Ref: 159/19\) & 11th March 2020 \(Ref: 39/20\).](#)

VAT reclaimed during the year: [Yes](#)

Registered: [No](#)

General Power of Competence: [Yes from 9th October 2019 \(Ref: 129/19\)](#)

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 – Z2166678 Expiry 23/03/2021

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. 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: Yes

Insurance was in place for the year of audit. The Risk Assessment, including Internal Controls were reviewed at a meeting held on 13th November 2019 (Ref: 144/19).

The Council have good internal financial controls in place. Cheque stubbs 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: £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: **No**

Website: www.whpc.org.uk

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 – No

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 17th June 2019

End Date 26th July 2019

Budgetary controls

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

Precept: £23,300 (2019-2020) Date: 12th December 2018 (Ref: 117/18g)

Precept: £26,828 (2020-2021) Date: 11th December 2019 (Ref: 162/19c))

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.

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</p> <p><i>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 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. Values are recorded at cost value. The total value of assets are recorded at £77,825. The figure in the asset register cannot be compared with the figure in Section 2, Box 9 of the AGAR, as the AGAR is not part of the Audit file.</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 were confirmed as:</i></p> <p><i>Unity</i> <i>£15,993.79 as at 31st March 2020</i></p>
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 (£6,651) and have identified earmarked reserves (£9,342) in their year-end accounts.</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

The 2019 Internal Audit report was considered by the Council at a meeting held on 12th June 2019 (Ref: 92/19f).

A review of the effectiveness of the Internal Audit was carried out on 12th June 2019 (Ref: 92/19f).

Heelis & Lodge were not appointed as Internal Auditor at a meeting held during the year of audit.

Recommendation (2): *It is a requirement to appoint the Internal Auditor and record the decision in the minutes of the meeting.*

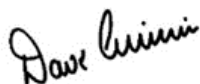
External Audit

The External Auditor's report was considered at a meeting held on 9th October 2019 (Ref: 133/19i)

There were no matters arising from the External Audit.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 08/05/2019 within the required timescale. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- The co-option of councillors at the meeting on the 10th April 2019 should not have taken place. The date at which the co-options should have taken place was at the meeting held on the 8th May 2019, following the date of the election (2nd May 2019).
- 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 the quality of documentation presented in the Audit File.



**Dave Crimmin PSLCC
Heelis & Lodge**

9th June 2020

HEELIS&LODGE

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www.heelisandlodge.co.uk

INVOICE

To:

West Hanningfield Parish Council
Springfields
Crows Lane
Woodham Ferrers
Essex
CM3 8RR

Invoice No: HLD1036

Date: 9th June 2020

Details	Quantity	Amount (£)	Total (£)
To carry out Year-end Internal Audit for West Hanningfield Parish Council for the year ended 31 March 2020.	1	180.00	180.00
Pick-up and return courier service	2	5.00	10.00
Total			190.00

Please make cheques payable to: Heelis & Lodge

Bank Details: Account 02539349 Sort Code 72-00-00

Terms – 30 days

Thank you.

HEELIS&LODGE

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