



## Local Council Internal Audit Report

Year ending: 31<sup>st</sup> March 2019

Name of Council:	Chelmondiston Parish Council
Income:	£55,808.64
Expenditure:	£55,098.21
Precept Figure:	£24,750.00
General Reserve:	£39,568.02
Earmarked Reserves:	£31,826.71

## Annual Return Completion:

Section One:	<b>COMPLETED AND SIGNED</b>
Section Two:	<b>COMPLETED AND SIGNED</b>
Internal Audit	<b>COMPLETED AND SIGNED</b>

**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.**

**The cashbook reconciles with the year-end figures. A selection of transactions has been taken through the complete audit trail from approval in minutes, invoice, cheque book and bank statements. All were found to be in order.**

**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-in books and other relevant documents.**

**Standing Orders in place and last updated:**

**Standing Orders are up to date and reviewed November 6<sup>th</sup> 2018**

**Financial Regulations in place and last updated:**

**Financial Regulations are up to date and reviewed October 2<sup>nd</sup> 2019**

**Supporting paperwork for payments and appropriate authorisation.**

**All the supporting paperwork for payments is in place. Payments are authorised at council meetings, supported by the invoices.**

**VAT reclaimed during the year:**

**£1,992.00 has been reclaimed and VAT is recorded as required in the cash book.**

**£1830.18 has been reclaimed and VAT is recorded as required in the cash book.**

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

**N/A**

**S137 separately recorded and expenditure complied with.**

Cashbook does record S137 expenditure as required

**Recommendation:**

**S137 can only be relied on if no other power can be used.**

**The Council made over a grant to the PCC for maintenance of the Churchyard. This falls under Local Government Act 1972 s215. This is an uncapped power of expenditure which allows the Council to contribute to such costs.**

**Does the council have any loans in place?**

N/A

**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.**

Code of Conduct amended and approved July 1<sup>st</sup> 2014

**Recommendation:**

**To annually review the Code of Conduct and to remind Councillors to review and update the register of interests.**

### **3. Risk Management**

**Appropriate Financial Risk Assessment procedures in place for the activities of the council.**

Risk assessment are in place and cover financial and physical risks, reviewed November 6<sup>th</sup> 2018.

**Recommendation:**

**Risk: Salary – add illness and holiday (who will make over the payments)**

**Risk: Grants – add the amount and payee are correct**

**Risk: Elections – add budget for bye-elections**

**Risk: VAT – claiming at least quarterly as if not recovered after three years the money is lost.**

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

**The policy has been provided**

**The Council are insured with Zurich**

**Public Liability: £10,000,000**

Employers Liability: £10,000,000

Fidelity Guarantee: £100,000

Corporate homicide and manslaughter – within legal cover

GDPR – within legal cover

#### **4. Budgetary controls**

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

The budget was agreed at a full Council meeting following a recommendation by the Advisory Finance Group.

Regular reporting of expenditure and variances from budget are regularly provided.

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#### **5. Income Controls**

**Precept and other income, including credit control mechanisms.**

Reserves: £39,568.02

Earmarked Reserve: £31,826.71

#### **6. Petty cash/expenses procedure**

**Established system in place and associated supporting documents.**

N/A

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#### **7. Payroll controls**

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

Payroll is in place and HMRC payments are being made.

**Records relating to contracts of employment.**

A contract is in place for the Parish Clerk

**Pension Auto Enrolment:**

The Parish Clerk is enrolled into the NEST Scheme

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## **8. Asset control**

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

The asset register is up to date and recently reviewed March the 5th 2019. There is adequate insurance cover in place.

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## **9. Bank reconciliation**

**Regularly completed and cash books reconcile with bank statements.**

The cash book reconciles with bank statement and year end figures.

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## **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.**

**A selection of transactions was taken through the complete audit trail from approval in minutes, invoice, cheque book and bank statements. All were found to be in order. Year-end figures reconcile with the cashbook and bank statements.**

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## **11. Sole Trustee**

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

**N/A**

**Note:**

**Custodian Trustee to Playing field and Village Hall**

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## **12. Internal Audit procedures**

**Recommendations from previous internal audit:**

**As with last year the accounts and information has been well documented and presented there are no recommendations to follow up from the last audit. There are just a couple of recommendations made in this year's audit. That are not significant but may be helpful going forward.**

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### **13. Additional comments**

Annual meeting of the council: May 1<sup>st</sup> 2018

**Annual meeting of the parish/town:** May 22<sup>nd</sup> 2018

**Transparency code:** Up to £25000.00 – Code for smaller authorities – N/A

**£200,000.00 or over – Code for Larger authorities – N/A**

**Is the council registered with the ICO?** The Council is registered with the ICO

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Jayne Cole

Chief Executive Officer

Local Council Public Advisory Service

**Date:** May 15<sup>th</sup> 2019

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