

# HEELIS&LODGE

## Local Council Services • Internal Audit

### **Internal Audit Report for Clopton 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: £4,508.28    Expenditure: £3,997.75    Reserves: £8,587.70

#### AGAR Completion:

Section One: **No**

Section Two: **Yes – draft figures**

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

Certificate of Exemption: **Yes**

**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: **17/09/2020 (Ref: CPC073/20)**

Financial Regulations in place: **Yes**

Reviewed: **21/05/2020 (Ref: CPC027/20)**

VAT reclaimed during the year: **Noted that there was no VAT to claim from 2019-2020. VAT amounting to £52.60 to be claimed for the year of audit.**

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 (Reg: ZA537781)

### ***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 were reviewed at a meeting held on 21/05/2020 (Ref: CPC-23/20). Internal Controls were reviewed at a meeting held on 21/05/2020 (Ref: CPC027/20).*

*The Council have effective 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: £25,000

*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.clopton.onesuffolk.net/clopton-parish-council](http://www.clopton.onesuffolk.net/clopton-parish-council)

- 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, IA Report Published – Yes*
- e) list of councillor or member responsibilities  
*Published – Yes*

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- f) the details of public land and building assets (By 1 July)  
*Published – Yes – Asset Register*
- 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:

Certificate of Exemption  
*Certificate of Exemption Published - Yes*

Under **The Accounts & Audit Regulations 2015 15(2b)** councils must publish on their website:

Notice of period for the exercise of public rights  
*Published – Yes*

Period of Exercise of Public Rights

Start Date *18/6/2020* End Date *24/7/2020*

#### **Budgetary controls** supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £4,500 (2020-2021) Date: 19/01/2020 (Ref: CPC008/20)

*Effective 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

PAYE and NIC in place where necessary.  
Compliance with Inland Revenue procedures  
Records relating to contracts of employment

PAYE System in place: Yes  
Employer Ref: 120/YA56819

*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.*

*It is noted that the Council undertook a review of salaries at a meeting held on 19/11/2020 (Ref: CPC090/20).*

## 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 cost value. The total value of assets are recorded at £17,155. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.*

*It is noted that the funds in the Janus Henderson Trust is classed as a fixed asset and included in the Asset Register.*

## 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.*

*Bank Balances at 31March were confirmed as:*

Barclays Community	xxxx1179	£789.70	(26/3/2021)
Barclays BP #1	xxxx4616	£2,520.33	(26/3/2021)
Barclays BP #2	xxxx5334	£181.68	(26/3/2021)
Yorkshire Community	xxxx1907	£5,095.99	

## Reserves

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

*The Council have adequate general reserves (£7,097.46) and have identified earmarked reserves (£1,542.84) 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 not a sole trustee.*

**Internal Audit  
Procedures**

*The 2020 Internal Audit report was considered by the Council at a meeting held on 21/05/2020 (Ref: CPC029/20).*

*Heelis & Lodge were appointed as Internal Auditor at a meeting held on 21/05/2020 (Ref: CPC029/20).*

**External Audit**

*The Council formally approved the AGAR at a meeting of the full Council held on 21/5/2020 (Ref: CPC026/20).*

*The Council declared themselves Exempt from External audit for the 2020-2021 financial year.*

**Additional Comments/Recommendations**

- Annual Parish Council meeting was held on 21/05/2020. 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



**Heather Heelis**  
**Heelis & Lodge**  
26 April 2021

# HEELIS&LODGE

Local Council Services • Internal Audit

[www.heelisandlodge.co.uk](http://www.heelisandlodge.co.uk)

## INVOICE

**To:**

Clopton Parish Council  
1 Hillside Cottages  
Clopton  
Suffolk  
IP13 6SF

Invoice No: HL9148

Date: 26 April 2021

Details	Quantity	Amount (£)	Total (£)
To carry out Year End Audit for Clopton Parish Council for the year ended 31 March 2021	1	90.00	90.00
Total			90.00

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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