

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Newton 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: £96,118.86 Expenditure: £107,750.02 Reserves: £40,814.72

AGAR Completion:

Section One: [Yes - unsigned](#)

Section Two: [Yes - unsigned](#)

Annual Internal Audit Report 2020/2021: [Yes](#)

Certificate of Exemption: [No](#)

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 and LGAs137 does not apply.

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: [6/7/2020 \(Ref:20/198\)](#)

Financial Regulations in place: [Yes](#)

Reviewed: [6/7/2020 \(Ref:20/198\)](#)

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

[8/1/2021 £15,005.11](#)

[13/4/2021 £352.64](#)

Registered: [No](#)

General Power of Competence: [Yes – adopted 13/5/2020 \(Ref: 20/154\)](#)

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Tenders exceeding the £25,000 threshold have been advertised on the Contract Finders website (Ref: 8/7/2020 – item 20/195).

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

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 and Internal Controls were reviewed at a meeting held on 13/1/2021 (Ref:21/013 and 21/014 respectively). The Risk Management Register was also reviewed at a meeting held on 14/10/2020 (Ref: 20/255) for the inclusion of the assessment of risks related to GDPR.

A separate Risk Assessment is in place for the new MUGA (Ref: 13/1/2021 – item 21/011).

The Council have effective 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: £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.newton.onesuffolk.net

The Council is not subject to the requirements of the Transparency Code for smaller Councils. The Transparency Code for Councils with a turnover exceeding £200,000 is not covered as part of the Internal Audit.

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

External audit report

2020 Annual Return, Section Three 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 **15/6/2020**

End Date **24/7/2020**

Budgetary controls
supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £10,518 (2021-2022)

Date: 13/1/2021 (Ref: 21/007b)

Precept: £10,258 (2020-2021)

Date: 27/1/2020 (Ref: 20/15)

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 PAYE Reference: **475/SA56474**

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.

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Asset control

Inspection of asset register and checks on existence of assets
Cross checking on insurance cover

A separate asset register is in place and a review of assets was undertaken during the year (Ref: 8/7/2020 – item 20/197). The Asset Register was reviewed at a meeting held on 9/9/2020 (Ref: 20/231b). Values are recorded at cost value. The total value of assets are recorded at £89,517. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.

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 31 March were confirmed as:

<i>Barclays Current</i>	<i>xxxx6092</i>	<i>£100.00</i>
<i>Barclays Savings #1</i>	<i>xxxx6106</i>	<i>£44,551.86</i>
<i>Barclays Savings #2</i>	<i>xxxx9936</i>	<i>£1,165.05</i>

Reserves

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

The Council have adequate general reserves (£5,383.37) and have identified earmarked reserves (£35,431.35) 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 10/6/2020 (Ref: 20/176).

A review of the effectiveness of the Internal Audit was carried out at a meeting held on 13/1/2021 (Ref: 21/014).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 13th May 2020 (Ref: 20/157)

External Audit

The Council formally approved the 2020 AGAR at a meeting of the full Council held on 10/6/2020 (Ref: 20/176c&d).

The External Auditor's report was considered at a meeting held on 14/10/2020 (Ref: 20/249a).

The following matters were raised from the External Audit:

An incorrect assertion in Section 1, Assertion 4.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 13/5/2020. 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 his assistance during the course of the audit work



Heather Heelis
Heelis & Lodge
30 April 2021

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Newton Parish Council
Cragston
Sudbury Road
Newton Green
Sudbury
Suffolk, CO10 0QH

Invoice No: HL9155

Date: 30 April 2021

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for Newton Parish Council for the year ended 31 March 2021 (£50,001 - £100,000 banding)	1	235.00	235.00
Total			235.00

Please make cheques payable to: Heelis & Lodge

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

Terms – 30 days

Thank you.

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