

Report to Bucklesham Parish Council

The Internal Audit of the Accounts for the year ending 31 March 2019

1. Summary

1.1 During the 2018/19 year the Council maintained effective governance arrangements including a robust framework of internal control. The Internal Audit review, undertaken on the documentation provided to the Internal Auditor and the information published on the Council's website, has confirmed the overall adequacy of the financial arrangements in place within the Council.

1.2 By examination of the 2018/19 accounts and supporting documentation it was confirmed that the Clerk, in the role as the Council's Responsible Financial Officer (RFO), satisfactorily undertook the administration of the Council's financial affairs and produced satisfactory financial management information to enable the Council to make well-informed decisions.

The Accounts for the year confirm the following:

Total Receipts for the year: £11,976.61
Total Payments in the year: £9,193.92
Total Reserves at year-end: £8,998.42

1.3 The Annual Governance and Accountability Return (AGAR) was examined and the following figures agreed with the Clerk/RFO for inclusion in Section 2 (rounded for purposes of the Return):

<i>Balances at beginning of year (1 April 2018):</i>	<i>Box 1: £6,215</i>
<i>Annual Precept 2018/19:</i>	<i>Box 2: £8,000</i>
<i>Total Other Receipts:</i>	<i>Box 3: £3,976</i>
<i>Staff Costs:</i>	<i>Box 4: £2,650</i>
<i>Loan interest/capital repayments:</i>	<i>Box 5: £0</i>
<i>All Other payments:</i>	<i>Box 6: £6,543</i>
<i>Balances carried forward (31 March 2019):</i>	<i>Box 7: £8,998</i>
<i>Total cash/short-term investments:</i>	<i>Box 8: £8,998</i>
<i>Total fixed assets:</i>	<i>Box 9: £59,009</i>
<i>Total borrowings:</i>	<i>Box 10: £0</i>

1.4 Sections One and Two of the AGAR were approved and signed/dated at the meeting of the Council on 10 May 2019 and the Minute references notated. The Internal Auditor has completed the Annual Internal Audit Report 2018/19 within the AGAR.

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TREVOR BROWN CPFA
Internal Audit Services
Charnwood, California, Woodbridge, Suffolk IP12 4DE
Tel: 01394 384698 or 07587 523764
Email: tcdbrown01@yahoo.co.uk

3. Governance, Standing Orders and Financial Regulations (examination of Standing Orders, Financial Regulations, Tenders where relevant, appropriate payment controls including acting within the legal framework with reference to Council Minutes. Identifying VAT payments and re-claims. Cheque books, paying-in books and other relevant documents)

3.1 Standing Orders are in place; they were accepted by the Council at its meeting on 7 March 2019 (Minute 21.19 refers). It is noted that the Council's Standing Orders item 29 refers to the Public Contract Regulations 2006 (at section e) which have since been replaced by the Public Contract Regulations 2015 and requires up-dating. The National Association of Local Councils (NALC) has published updated Model Standing Orders (2018). The Clerk/RFO has advised Internal Audit that during 2019/20 the Council will be reviewing the latest Model Standing Orders issued by NALC with the view of adopting those.

3.2 Financial Regulations are in place and were accepted by the Council at its meeting on 7 March 2019 (Minute 21.19 refers). It is noted that Regulation 12.1 refers to a Financial Regulation 17 which does not exist. The Clerk/RFO advised Internal Audit that the Council will review the Financial Regulations during 2019/20 to ensure that all references in the document are up to date.

3.3 The Council's Minutes are well presented and provide clear evidence of the decisions taken by the Council in the year.

3.4 The re-claim to HMRC of £1,431.37 for VAT paid in the period 29 February 2016 to 31 December 2018 was received at bank on 11 January 2019 and reported to the Council at its meeting on 7 March 2019 (Minute 36.19 refers).

3.5 The Council is registered with the Information Commissioner's Office (ICO) as a Fee Payer/Data Controller for the provision of council services (Registration ZA346854, expiring 21 April 2020, refers). The Clerk/RFO reported to the Council on 3 May 2018 regarding the registration (Minute 50.18a refers).

3.6 The Clerk/RFO kept the Council fully informed about the implications of the new General Data Protection Regulations (GDPR) which took effect from 25 May 2018. The Clerk/RFO was formally appointed as the Data Protection Officer at the meeting held on 3 May 2018 (Minute 50.18b refers). The Council has prepared and approved a number of formal policies and protocols, including a comprehensive Data Governance Policy, a Privacy Policy and a Personal Data Assessment Matrix, in response to the GDPR.

3.7 The Council demonstrates good practice by adopting and reviewing a range of formal policies and procedures. At its meeting on 7 March 2019 the Council confirmed its acceptance of the Freedom of Information Policy, Grant Policy, Complaints Procedure and the Information available under the Publication Scheme (Minute 21.19 refers).

- a) All items of expenditure above £100:
Published – Yes, included within Minutes published on the website
- b) Annual Governance Statement, AGAR Annual Return, Section One:
Published (2017/18) – Yes
- c) End of year accounts, AGAR Annual Return, Section Two:
Published (2017/18) – Yes
- d) Annual Internal Audit report within AGAR Annual Return:
Published (2017/18) – Yes
- e) List of councillor or member responsibilities:
Published – Yes
- f) Details of public land and building assets:
Published – Yes
- g) Minutes, agendas and meeting papers of formal meetings
Published – Yes

5.2 The Council is meeting the requirements of the Transparency Code.

6. Budgetary controls *(Verification of the budgetary process with reference to Council Minutes and supporting documents)*

Precept 2018/19: £8,000 (2 November 2017, Minute 106.17).

Precept 2019/20: £8,500 (3 January 2019, Minute 10.19).

6.1 The precepts were agreed in full Council and the precept decision and amount have been clearly Minuted. The Clerk/RFO ensures the Council is 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.

6.2 Good budgetary procedures are in place. Examination of the accounts and supporting documentation for the year under review confirmed that the Council prepared detailed estimates of the annual budget and of receipts and payments. The Budget for the year 2019/20 was discussed, an amendment made and the Budget agreed by the Council at its meeting on 3 January 2019 (Minute 10.19 refers). The estimates can be used effectively for financial control and budgetary control purposes during 2019/20.

6.3 The total Reserves available to the Council at the year-end amounted to £8,998.42. As at the 31 March 2019 the Council maintained sufficient reserves and contingency sums to meet, within reason, any unforeseen items of expense that may occur.

11. Bank Reconciliation (Regularly completed and cashbooks reconcile with bank statements)

11.1 The bank statements as at 31 March 2019 for the HSBC Community (Current) Account and the HSBC Community Savings Account reconciled with the End-of-Year accounts and the overall Bank Reconciliation for all accounts.

12. Year End procedures (Regarding 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)

12.1 End-of-Year accounts are prepared on a Receipts and Payments basis and were found to be in good order.

13. Internal Audit Procedures (That the Council has satisfactory internal financial controls in place and any previous recommendations implemented)

13.1 The Council has satisfactory internal financial controls in place. The Clerk/RFO provides financial reports to Council meetings, including bank account balances. Councillors are provided with information to enable them to make informed decisions.

13.2 Cheque Book counterfoils are initialled by cheque signatories. Invoices and vouchers for payment list the cheque number to provide a clear audit trail. Payments and receipts are listed in the Council's Minutes as part of the overall financial control framework.

13.3 The Internal Audit report for the previous year (2017/18) was considered by the Council at its meeting on 5 July 2018 (Minute 73.18 refers). No matters of concern had been raised in the Report.

13.4 The Council formally appointed the Internal Auditor for the 2018/19 year at its meeting on 7 March 2019 (Minute 22.19 refers).

14. External Audit (Recommendations put forward/comments made following the annual review)

14.1 An External Audit was not required in the year 2017/18. At its meeting on 3 May 2018 the Council completed the Certificate of Exemption from a Limited Assurance Review for that year (Minute 37.18 refers).

14.2 Similarly, at its meeting on 10 May 2019, the Council completed the Certificate of Exemption from a Limited Assurance Review for the year 2018/19.