HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Framlingham Town Council – 2014/15

Income: £176,670 Expenditure: £163,682 Reserves: £232,086

Annual Return Completion:
Section One: Yes – to be signed
Section Two: No
Section Four: Yes

The following Internal Audit was carried out on the adequacy of systems of control. The following recommendations/comments have been made:

Proper book-keeping Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

All were found to be in order. LGA1972 s137 is not used as the Council have adopted the General Power of Competence. 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: 24/9/2014
Financial Regulations in place: Yes Reviewed: 24/9/2014

VAT reclaimed during the year: Yes Registered: No

General Power of Competence: Yes

Recommendation: *Following the 2015 elections the Council should confirm their eligibility in re-adopting the GPC at the earliest opportunity.*

Financial Regulations and Standing Orders in place. The Council's tender threshold is £10,000 (Fin Reg: 11.1b). Quotes and tenders are filed using a well organised system.

Contact details : Hall Farm House, Loudham Lane, Pettistree, Suffolk, IP13 0NQ
Tel: 07732 681125
Email: enquiries@heelisandlodge.co.uk

Heather Heelis Dip HE Local Policy PILCM
Lynne Lodge Dip HE Local Policy

Risk Assessment Appropriate procedures in place for the activities of the council

Risk Assessment document in place: Yes
Data Protection registration: Yes

Insurance was in place for the year of audit.

The Council have in place a comprehensive suite of documents covering all activities of the Council, which have all been reviewed within the year of audit. The Financial Risk Assessment with Internal Controls was reviewed on 4/12/2014.

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.

A RoSPA inspection has taken place and the actions addressed.

Fidelity Cover: £250,000

The level of Fidelity cover is within the recommended guidelines of year end balances plus 50% of the precept.

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

Precept: £114,900 (2014-2015)
Precept: £116,005 (2015-2016) Date: 4/12/2014

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.

Licences are in place for market traders

Petty Cash

Associated books and established system in place

A satisfactory expenses system is in place with supporting paperwork.

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

The Council are operating RTI in accordance with HMRC regulations. Regular payments have been made to HMRC and P60s produced as part of the year end procedures. Detailed pay slips are produced and supporting paperwork is in place. The Council are part of the Suffolk County Council LGPS.

Asset control

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

A separate asset register is in place. Box 9 on the Annual Return has recorded the total cost value of assets in accordance with Regulations. The asset register was reviewed and approved by the Finance Committee at a meeting held on 19/2/2015.

Bank Reconciliation

Regularly completed and cash books reconcile with bank statements

All were in order. The bank statements reconciled with the end of year accounts and bank reconciliations for all 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 an Income and Expenditure basis and were all in order. Sample audit trails were undertaken and all were found to be in order.

Sole Trustee

The Council has met its responsibilities as a trustee

The Council is not a sole trustee.

Internal Audit Procedures

The Council reviewed the effectiveness of the internal audit at a meeting held on 24/9/2014.

External Audit

There were no matters raised by the External Auditor in relation to the 2013-2014 External Audit.

Additional Comments/Recommendations

- The Annual Parish Council meeting was held on 1/5/2014, within the required timescale. 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
3 June 2015

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Framlingham Town Council
10 Riverside
Framlingham
Suffolk
IP13 9AG

Invoice No: HL3041

Date: 3 June 2015

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for Framlingham Town Council for the year ended 31 March 2015	1	185.00	185.00
Total			185.00

Please make cheques payable to: Heelis & Lodge

Terms – 30 days

Thank you.

HEELIS&LODGE

Contact details : Hall Farm House, Loudham Lane, Pettistree, Suffolk, IP13 0NQ
Tel: 07732 681125
Email: enquiries@heelisandlodge.co.uk

Heather Heelis Dip HE Local Policy PILCM
Lynne Lodge Dip HE Local Policy