



Local Council Internal Audit Report

Year ending: 31st March 2018

Name of Council:	Framlingham Town Council
Income:	£223,588.
Expenditure:	£183,572.
Precept Figure:	£124,680.
General Reserve:	£288,768.
Earmarked Reserves:	£151,205.

Annual Return Completion:

Section One:	Not signed at time of audit
Section Two:	Not signed at time of audit
Internal Audit Section:	Signed and completed 2/5/18

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.

Framlingham Town council uses RBS Alpha software. The cashbook is prepared on an Income and Expenditure basis. It is well referenced and there is a monthly reconciliation on the cash book and the bank statements. Supporting paperwork was provided.

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 books and other relevant documents.

Standing Orders in place and last updated: Standing orders are in place and up to date with current legislation. Last updated September 2017

Financial Regulations in place and last updated: Financial regulations are in place and up to date with current legislation. Last updated September 2017

Supporting paperwork for payments and appropriate authorisation: All payments are approved at full council meeting and are listed in the minutes. The council uses on-line banking and appropriate authorisation is used.

VAT reclaimed during the year:

VAT has been reclaimed twice this year.

1 = £4,949.34 and has been received

2 = £8,062.56 has not yet been received.

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

The council does use the General Power of competence and it was last adopted 4/6/15 (minute ref 1154615).

S137 separately recorded and minuted: Not applicable as General Power of competence is used.

Does the council have any loans in place? No

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 was adopted on 3/7/14 and is the updated 2012 version.

The website has a link to the district list of Framlingham Town Council Registers of Interests.

3. Risk Management

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

Financial Risk Assessment is in place and comprehensive and was last updated September 2018.

Appropriate insurance cover for Employers liability, Public liability and Fidelity guarantee. Cover of events if applicable. Insurance is with Zurich and expires on 1/6/18.

Public Liability = £10,000,000.00

Employer's Liability = £10,000,000.00

Fidelity = £250,000.00.

All are within guidelines.

insurance cover for Corporate Manslaughter and Corporate Homicide? Cover has been included for Corporate Manslaughter and Corporate Homicide.

Cover for a breach of Data Protection? Cover has also been included for a breach of Data Protection.

4. Budgetary controls

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

Budget was prepared and presented at council meeting 5/1/2017. A precept of £124,680.00 was agreed, which is a 2% increase on last years precept. (minute ref: 1575117).

Regular reporting of expenditure and variances from budget.

The budget is monitored throughout the year and a variance report was produced.

Expenditure is reported monthly.

5. Income Controls

Precept and other income, including credit control mechanisms

The precept received this year was £124,680.00

Reserves: £288,786.00

Earmarked Reserves: £151,205.30

The council has ample reserves this year and has sufficient funds for earmarked funds and enough for contingency.

6. Petty cash/expenses procedure

Established system in place and associated supporting documents.

There is no petty cash in place.

7. Payroll controls

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

The Council makes monthly contributions for two employees in to the pension scheme and the council is also making regular returns to HMRC with regard to Tax and NI requirements.

Records relating to contracts of employment. There are contracts in place for all three employees.

Has your council auto-enrolled with the Pension Regulator? Yes

Did you give your employees the opportunity to opt in or out of a pension scheme? Yes, all employees had the opportunity, one employee has opted out and two have opted in.

Please supply copies of letters.

Copies of letters for all staff were produced.

8. Asset control

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

Asset register was produced. Asset register also been updated to include new assets. All assets have been cross checked against insurance and all is in order.

Assets total: £407,753.04

9. Bank reconciliation

Regularly completed and cash books reconcile with bank statements.

Cash book and statements are reconciled monthly.

End of year figures are as follows:

- | | |
|-----------------------------|-------------|
| 1. HSBC Mon/Man/Ent Acct: | £8,440.19 |
| 2. HSBC Money Manager Acct: | £32,253.52 |
| 3. HSBC Current Acct: | £28,465.59 |
| 4. Skate Park Acct: | £1.73 |
| 5. CIL Fund: | £190,295.38 |
| 6. HSBC Bond 9304117 | £29,311.33 |

Total Balance = £288,767.74 this figure agrees with the year-end balance.

The council also has three investments:

1. RMM 3 year fixed = £35,675.00
2. RMM 1 year fixed = £40,340.00
3. RMM 3 year fixed = £36,162.81

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.

20 samples audit trails were taken from minutes through to bank statements. These were also checked against creditors and debtors and all were found to be in order.

Appropriate accounting procedures have been used and year end completed and balanced.

11. Sole Trustee

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

The Council is not a sole trustee.

12. Internal Audit procedures

Date review completed: 02/05/2018

Recommendations from previous internal audit:

There were no recommendations from the previous audit.

13. Additional comments

Annual meeting of the council: 4th May 2017

Annual meeting of the parish/town: 27th April 2017

Appointment of internal auditor: Same auditor as last year – Local Council Public Advisory Service

Transparency code for smaller/Larger authorities: Does not apply

Is the council registered with the ICO? The council is registered. Reg No: Z930379

Has your council appointed a Data Protection Officer?

The council has appointed Jayne Cole from Local Council Public Advisory Service as its Data Protection Officer for 1 year.

Is the council working towards the New General Data Regulations Regime?

The council is already using privacy notices and consent forms and is on its way towards compliance.

Julia Prior



Deputy Chief Executive Officer

Local Council Public Advisory Service

Date: 02/05/2018

Local Council Public Advisory Service

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