



Local Council Internal Audit Report

Year ending: 31st March 2019

Name of Council:	Framlingham Town Council
Income:	£414,513
Expenditure:	£184,889
Precept Figure:	£132,000
General Reserve:	£520,348.30
Earmarked Reserves:	£151,205

Annual Return Completion:

Section One:	Complete – not signed
Section Two:	To be completed 16 th May 19
Internal Audit:	Complete

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. A sample of transactions has been taken and all have all the supporting documents and audit trail in place.

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: 6th Dec 18 – Review September 19

Up to date

Financial Regulations in place and last updated: 6th Dec 18 – Review September 19

Up to date

Supporting paperwork for payments and appropriate authorisation:

The complete audit trail from authorisation at meeting, invoice, bacs payments records, bank statement and bank reconciliations.

Samples taken from various months during the financial year all were found to be in order

VAT reclaimed during the year:

Total for financial year £3,140.90

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). This will be reconfirmed at the Annual Meeting of the Council 16th May 2019.

S137 separately recorded and minuted:

Not Applicable

Does the council have any loans in place?

None in place

Date of approval from the Secretary of State (DCLG).

Not applicable

Payments of interest and principal sums in respect of loans are paid in accordance with agreements.

Not applicable

Code of Conduct. Date of adoption. Register of interests published on the council's website.

Code of Conduct adopted 2014 – review date September 2019

Each Councillor has a profile page with a link to their register of interest. These will be updated following May 2nd 19 Election.

3. Risk Management

Appropriate procedures in place for the activities of the council.

Risk assessment are in place for:

Cemetery, Memorial Inspections, Churchyard, Pageant field, The Fens, Allotments, Jefferson's Well, Town Council Office, Internal Controls, Rights of Way, Market, Soap Box Race, Fireworks, Financial Management, Credit Card, Third party Events, SID and Lone Worker. All have up to date assessments of identified risk approved by full Council 6th December 2018 and due to be reviewed September 2019.

Appropriate insurance cover for employer's liability, public liability and fidelity guarantee. Cover of events if applicable.

Public Indemnity - £10,000,000

Employers Liability - £10,000,000

Fidelity Guarantee - £250,000

GDPR – Covered under Legal Cover £100,000

insurance cover for Corporate Manslaughter and Corporate Homicide?

Corporate Manslaughter and Corporate Homicide is included confirmed 2nd May 18

Cover for a breach of Data Protection?

Covered with the Legal Cover up to £10,000

4. Budgetary controls

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

The budget has been properly prepared and details previous year, actual and projected figures. This has been presented with a comprehensive explanation of variances. The budget was agreed at the full Council Meeting.

Regular reporting of expenditure and variances from budget.

Monthly income and expenditure figures are presented to the Finance Committee

5. Income Controls

Precept and other income, including credit control mechanisms.

Reserves:

General: £520,348.30

It is noted that several investments have matured and that there is an ongoing project that this money is intended for.

Earmarked: £151,205

The Council has ample reserves and contingency in place

6. Petty cash/expenses procedure

Established system in place and associated supporting documents.

Not applicable

7. Payroll controls

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

Records relating to contracts of employment.

Has your council auto-enrolled with the Pension Regulator?

Yes, two staff members are enrolled into Local Government Pension Scheme. One staff member has opted out.

Regular monthly contribution is being made by both employees and the Town Council

Monthly payroll records are kept, and monthly payments made to HMRC these are checked and signed off by two councillors

8. Asset control

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

Asset register is in place and up to date it is due for review September 2019

Total assets: £299.329

Adequate insurance is in place

9. Bank reconciliation

Regularly completed and cash books reconcile with bank statements.

Cash books reconciles with bank statements

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.

Appropriate accounting procedures are in place through to year end.

Several sample 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).

Not applicable

12. Internal Audit procedures

Date review completed: 29th April 2019

Recommendations from previous internal audit:

There were no recommendations from the last audit

13. Additional comments

Annual meeting of the council: 3rd May 18

Annual meeting of the parish/town: 23rd April 18

Appointment of internal auditor: Internal Auditor remains place

Transparency code for smaller/Larger authorities: Compiling with the Larger Authorities code

Is the council registered with the ICO? Yes

Is the council working towards the New General Data Regulations Regime? Data Protection Officer appointed 2018

Jayne Cole

On behalf of

Local Council Public Advisory Service

Date:

Local Council Public Advisory Service

6 Aragon Court, Clare, Suffolk, CO10 8FA

Tel: 01787 829576 Email: ceo@lcpas.co.uk