



**Internal Audit Report**  
**Year ending: 31<sup>st</sup> March 2017**

<b>Name of Council:</b>	Great Blakenham Parish Council
<b>Income:</b>	£35,925
<b>Expenditure:</b>	£23,400 <i>not</i> 24,272.64 as stated in the Accounting Statements
<b>Precept figure:</b>	£30,995
<b>General Reserve:</b>	£17,878
<b>Earmarked Reserves:</b>	£34,250



Subject	Requirements	Comments/Recommendations
<b>1. Proper Book-keeping</b>	Type of cash book or ledger used.	Computerised spreadsheets seen.
	Cash book kept up to date and regularly verified against bank statement.	All were found to be in order.
	Correct arithmetic and balancing.	Spot checks for the year were made and it was found that the outstanding cheques from 2015-2016 had been added into the accounts for the year 2016-2017.
<b>2 Payment controls</b>	Supporting paperwork for payments, and appropriate authorisation.	A selection of random payments were selected and cross checked against cheque book, cash book, bank statement, invoices and minutes.
	S137 separately recorded and minuted.	Payments made under this power for the year under review totalled £1,225.00 (£1,250.00 stated in the cashbook but this includes an outstanding cheque from 2015-2016 and should be excluded). All have been corrected allocated in the Cash Book and the Year-End Accounting Statements (see <b>comment under 11 and 12</b> ) and made in accordance with the requirements of the power.
	VAT identified and reclaimed where appropriate.	VAT is identified in the cashbook and totals £1502.68 for the year under review. A claim for the period 1 <sup>st</sup> April 2015 to 31 <sup>st</sup> March 2016 was submitted on 29 <sup>th</sup> March 2017.
	Payments of interest and principal sums in respect of loans, are paid in accordance with agreements.	None made for the year under review. No new contracts were awarded for the year under review.
	Legal Powers identified in minutes and/or cashbook?	Minutes show the legal powers under which payments are made.
<b>3. Financial Regulations, Standing Orders</b>	Evidence that standing orders have been adopted and reviewed regularly.	Standing Orders were reviewed and amended at a meeting of 8 <sup>th</sup> March 2017 and are compliant with reflect recent changes in legislation.
	Evidence that Financial Regulations have been adopted and reviewed regularly.	The Council's Financial Regulations were reviewed and amended at a meeting of 8 <sup>th</sup> March 2017 and reflect recent changes in legislation. Financial Regulations are tailored to the Council.



<p><b>4. Petty cash/expenses procedure</b></p>	<p>Established system in place, and associated supporting documents</p>	<p>No petty cash held.</p> <p>Expenses claimed are approved by full council with supporting paperwork.</p>
<p><b>5. Risk management</b></p>	<p>Evidence that risks are being identified and managed.</p>	<p>The Council's Financial and Management Risk Assessment for the year under review was approved at a meeting of 8<sup>th</sup> March 2017 and covers the risks to which the smaller authority might be exposed and its strategy for handling such risks.</p> <p>Council also reviewed and adopted an Allotments Risk Assessment and a Cemetery Risk Assessment at the same meeting.</p> <p>Council considered and approved at a meeting of 10<sup>th</sup> August 2016 a Service Level Agreement for a Locum Clerking Service for 3 months for the period July/August/September which was extended until the end of October at a meeting of 14<sup>th</sup> September 2016.</p>
	<p>Appropriate Insurance cover for employment, public liability and fidelity guarantee.</p>	<p>Insurance cover is in place and was reviewed by full Council at the meeting of 14<sup>th</sup> September 2016.</p> <p>It was agreed that a full review would be carried out by the Council and amendments would be made where necessary. Council has cover with Zurich under a Parish Council Policy.</p> <p>Appropriate cover is in place and covers Public &amp; Products Liability; Employers Liability; Officials Indemnity and Legal Expenses.</p> <p>Fidelity guarantee insurance core cover has been increased to £50,0000 which is just below recommended guidelines of year-end balances plus 50%.</p>



6. Budgetary controls	Verifying that the budget has been properly prepared, and agreed.	The budget and precept were discussed at a meeting of 25 <sup>th</sup> January 2016.
	Regular reporting of expenditure and variances from budget.	Whilst Council receives a Financial Report at each meeting, as of yet there is no reporting of expenditure and variances from budget. <b>Recommendation: in accordance with Council's own Standing Orders, Council should ensure that a report detailing receipts and payments for each quarter is submitted to Council which shows total expenditure against budget along with bank balances in all accounts. This report should be signed off by both the Chairman and Responsible Financial Officer and should form part of the Council's Minutes.</b>
7. Income controls	Monitoring of precept and any other Income.	The Council received precept in the sum of £30,995 and Local Council Tax Support Grant in the sum of £465.42. Further income is in the form of Street Cleansing Grant; Cemetery Fees and Interest from the Council's Bank Accounts.
	Reserves:	Reserves total: £ 52,128 (rounded) General reserves : £17,878 Earmarked reserves as stated: £34,250  Council discussed its reserve position at its meeting of 8 <sup>th</sup> March 2017 and agreed to allocate funds to a number of projects moving forward.
8. Payroll controls	Salary payments include deductions for PAYE/ NIC. PAYE/NIC paid promptly to HMRC. Evidence that Council is aware of it's pension responsibilities.	Evidence seen to support approval of salary payments and payment of PAYE.  <b>Comment: Council should recognize that under current legislation it has pension duties for its employees and should ensure compliance with its duties as per the information on the pension regulator website:</b> <a href="http://www.thepensionsregulator.gov.uk/en/">http://www.thepensionsregulator.gov.uk/en/</a>



<b>9. Asset control</b>	Inspection of Asset register.	<p>Asset Register seen for period ending 31<sup>st</sup> March 2017 which shows assets to the value of £13,779 which reflects movement through the year of £778.</p> <p>The Asset Register was reviewed at a meeting of full Council on 8<sup>th</sup> March 2017 and it is noted that there may be a requirement to revise and reapprove the register once original costs are ascertained.</p>
	Asset register reviewed annually.	The requirement to hold an up-to-date asset register has been noted by the Council and steps should be taken to ensure the register is reviewed annually.
	Cross checking of Insurance cover.	Spot checks were made for items on the asset register and those under insurance. All were found to be correct.
<b>10. Bank reconciliation</b>	Regularly completed, reconciled with cash book.	Bank reconciliations reviewed and received at each council meeting.
	Confirm bank balances agree with bank statements.	<p>Bank balances as at 31.03.17: £52,128.30          Barclays Current Account: £36,826.44          Less outstanding cheques: £420.00          Barclays Premium Account: £15,721.86</p>
	Regular reporting of bank balances at council meetings?	Bank statements were seen and a financial report is given at the end of each meeting detailing positions in all bank accounts.
<b>11. Year-end procedures</b>	Appropriate accounting procedures used.	Receipts and payments.
	Financial trail from records to presented accounts.	<p>Overall bank balances agree with year-end statements.</p> <p><b>It has been noted that the opening balances do not agree to those as declared on the audited accounts for 2015-2016. Council should ensure that brought forward figures reflect those previously audited as carried forward figures. If there are errors in previous years these must be corrected and the words RESTATED used.</b></p>



<p><b>12. Annual return</b></p>	<p>Completion of sections of Annual return.</p>	<p>Section 2 of the Annual Return was completed and signed at the time of internal audit.</p> <p><b>R</b>ecommendation – the Accounting Statements on the Annual Return do not cast and do not currently reflect the audited position from 2015-2016. It is recommended that the figures be stated as below (see comments under 1,2 and 11 above):</p> <p><b>For year 31.03.17</b>  <b>Box 1 – 39156</b>  <b>Box 6 – 19139</b>  <b>Box 7 – 52128</b>  <b>Box 8 - 52128</b></p> <p><b>Section 4 was completed by the internal auditor</b></p>
<p><b>13. Review internal controls</b></p>	<p>Date review completed.</p> <p>Previous internal report minuted and considered by Council</p> <p>Previous external report minuted and considered by Council</p>	<p>Internal controls were reviewed as part of the Council's Financial and Management Risk Assessment at a meeting of 8<sup>th</sup> March 2017.</p> <p>No Internal audit report was received from the previous internal audit carried out on 20<sup>th</sup> July 2017.</p> <p>External audit report considered and accepted at a meeting of 6<sup>th</sup> October 2016 and an action plan was produced to address the issues raised.</p>
<p><b>14. Recommendations from previous internal audit – 31 March 2016.</b></p>	<p>Date reviewed and action plan agreed – no such report was submitted by the previous internal auditor.</p>	
<p><b>15. Additional comments</b></p>	<p>Annual meeting:</p> <p>Appointment of internal auditor:</p> <p>Any trustee responsibilities:</p> <p>Transparency and openness:</p>	<p>The Annual Parish Council Meeting took place on 11<sup>th</sup> May 2016 with the election of the new Chair taking place as the first item on the Agenda.</p> <p>11<sup>th</sup> January 2017</p> <p>None</p> <p>The Council has a website and whilst not a</p>



		requirement, it follows considered good practice in following the transparency regulations in order to ensure accessibility for the general population.
	Arrangements in place for the public inspection of council's records	Note re period for the exercise of public rights: Period for the exercise of public rights is 30 working days. These 30 working days must include the first 10 working days in July (Regulation 14 and 15 of the Accounts and Audit Regulations 2015). The earliest commencement date for the exercise of the public rights this year will be Monday 3 <sup>rd</sup> July 2017.
	Is the council registered with the ICO:	Yes - Registration No. A8170867

Signed  .....

Date 21/07/2017 .....

On behalf of Suffolk Association of Local Councils