

**Internal Audit Report**  
**Year ending: 31<sup>st</sup> March 2018**

<b>Name of Council:</b>	Felixstowe Town Council
<b>Precept figure:</b>	£549,742
<b>Income to date:</b>	£758,070
<b>Expenditure to date:</b>	£627,423
<b>Reserves</b>	General £356,823 Earmarked £685,936

Subject	Requirements	Comments/Recommendations
<p><b>1. Proper Book-keeping</b></p>	<p>Cash book updated regularly.</p> <p>S137 separately recorded and minuted.</p> <p>Correct arithmetic and balancing.</p>	<p>The council uses the RBS Omega accounting package. The cash book is reconciled on a monthly basis.</p> <p>The accounts for payment schedule includes the relevant power and details are published online. £30,403 has been spent under this power up to 31/3/18. This is well inside the limit of the power: £7.57 x 18, 870 Electorate = £142,845.90</p> <p>Financial reports to Full Council identify powers used, including s137.</p> <p>No errors were found in the sample payments tested. Petty Cash was found to be correct.</p>
<p><b>2. Financial regulations, standing orders, payment controls</b></p>	<p>Evidence that standing orders and financial regulations have Been adopted.</p> <p>VAT is identified and reclaimed.</p> <p>Supporting paperwork for payments, Invoices, and appropriate authorisation</p>	<p>The latest available Standing Orders and Financial Regulations were adopted 10 May 2017 and are on the website. They were reviewed on 28/03/18 by the Finance and General Purposes Committee.</p> <p><b>Recommendation: Council should review the latest model Standing Orders issued by NALC in April 2018 and consider adopting the new model.</b></p> <p>VAT is identified in the cash book and purchase ledger. VAT Return for period ending 31<sup>st</sup> March 2018 submitted 9/4/18 for £3,828.46.</p> <p>10 payments were cross checked against cheque book, cash book, bank statement, invoice and payment list included in council minutes. All were found to be in order.</p> <p>The Barclaycard statements were checked for expenditure consistent with proper use of the card. All was found in good order.</p> <p>The Fuel Genie statement dated 4/01/18 for £137.55 was checked against receipts. All was found in order.</p>

	Reserves	<p>At the beginning of the financial year 2017-18 the council had general reserves of £286,532 and earmarked reserves of £625,580. A net addition of £27,757 has been added on 1/4/17</p> <p>Total expenditure against earmarked reserves at 31/3/18 was £5,094.</p> <p>General reserves as at 31/3/18 = £356,823 Earmarked reserves as at 31/3/18 = £685,936</p> <p>The petty cash float is £250. Receipts are required for expenditure. Receipts with a total value of £114.72 were found in the petty cash tin, along with £135.28 cash. = £250.00</p> <p>Petty cash receipts for the period ending 29/3/18 were checked against the accounts and found to be properly recorded.</p>
<b>6. Petty cash/expenses procedure</b>	Established system in place, and associated supporting documents	
<b>7. Payroll controls</b>	PAYE/ NIC system in place. Records relating to contract of employment.	<p>Payroll Payflow sheets were checked against Council records for staff x12 and found to be in good order. HMRC and Pensions Payments to LGPS x7 staff and NEST x4 staff were checked against bank and payroll and found to match.</p>
<b>8. Asset control</b>	<p>Inspection of Asset register.</p> <p>Cross checking of Insurance cover.</p>	<p>Asset register as at 31<sup>st</sup> March 2017, with fixed assets of £50,788.97, a net change of +£582.17.</p> <p>Assets and Services Committee reviewed the Council's insurance provision on 5/4/17 and approved by the Council on 10<sup>th</sup> May 2017.</p> <p>The F&amp;GP Committee carried out an Insurance Adequacy Review on 24/1/18 and found them to be adequate.</p> <p>Employers Liability = £10m Public Liability = £10m Fidelity Guarantee Insurance = £1.5m</p>
<b>9. Bank reconciliation</b>	Regularly completed, reconcile with cash book.	Bank reconciliations are completed on a monthly basis. All were found to be in order.

<p><b>13. Actions on previous recommendations</b></p>	<p><b>Recommendation: Amend expenditure reports to meet Transparency Code requirements.</b></p> <p>The Council can demonstrate that it is working towards being compliant with data protection legislation to be</p>	<p>The matter was reported to the F&amp;GP Committee on 22/11/17 and the committee noted that the report had been amended.</p>
<p><b>14. GDPR</b></p>	<p>The Council is aware of their responsibility under the upcoming General Data Protection Regulations. At the F&amp;GP Committee on 22/11/17 a number of action points were agreed to work towards compliance. An update report was provided to the Committee on 24/1/18.</p> <p>A Data Retention Policy was adopted 13/9/17</p> <p>The Council is developing privacy statements in accordance with requirements.</p> <p><b>Recommendation: A Data Audit is the recommended first step in ensuring that the Council has scoped its obligations under GDPR and it is reasonable to expect this to have been carried out by May 25<sup>th</sup> 2018 to demonstrate the Council is working towards compliance.</b></p>	<p>The Council is aware of their responsibility under the upcoming General Data Protection Regulations. At the F&amp;GP Committee on 22/11/17 a number of action points were agreed to work towards compliance. An update report was provided to the Committee on 24/1/18.</p> <p>A Data Retention Policy was adopted 13/9/17</p> <p>The Council is developing privacy statements in accordance with requirements.</p> <p><b>Recommendation: A Data Audit is the recommended first step in ensuring that the Council has scoped its obligations under GDPR and it is reasonable to expect this to have been carried out by May 25<sup>th</sup> 2018 to demonstrate the Council is working towards compliance.</b></p>
<p><b>15. Additional comments</b></p>		<p>The annual meeting of the Town Council was held on the 10 May 2017. The election of Mayor was the first item on the agenda.</p> <p>Congratulations to Felixstowe Town Council in achieving the Local Council Award Scheme's highest commendation, the Quality Gold Award. Having carried out internal audits for the council for several years, I can vouch for the entirely justified recognition of the governance arrangements at the Council.</p> <p>Thank you to the Town Council staff for their co-operation with the internal audit. Felixstowe continues to be an exemplar of good practice.</p>

Signed .....  


Date: 3<sup>rd</sup> May 2018

On behalf of Suffolk Association of Local Councils