

HEELIS&LODGE

Local Council Services • Internal Audit

Interim Internal Audit Report for Leigh-on-Sea Town Council – 2023/2024

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. The Council hold the General Power of Competence and LGAs137 does not apply.

The Council use Edge accounting software. The cashbook and supporting paperwork is referenced providing a clear audit trail. Payments are supported with a bank authorisation sheet (n/a to payments made by direct debit) and an account payable summary.

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: 23/5/2023 (Ref: 13.d)

Financial Regulations in place: Yes

Reviewed: 23/5/2023 (Ref: 13.d)

VAT reclaimed during the year: Yes Registered: Yes (307026341)

Accounting Period	Amount Reclaimed	Date of Submission
1/4/2023-30/6/2023	£1,586.21	18/7/2023

General Power of Competence: Yes Adopted: 24/5/2022 – Ref: 11.c)

There was no evidence of tenders during the year that exceeded the £25,000 Public Contract Regulations threshold.

Committee Terms of Reference and the Freedom of Information Policy were reviewed and approved at the annual meeting held on 23/5/2023 (Ref: 13.d).

Risk Assessment

Appropriate procedures in place for the activities of the council
Compliance with Data Protection regulations

Risk Assessment document in place: **Yes**
Data Protection registration: **Yes** (Ref: Z5797454)

Privacy Policy published: **Yes**

Insurance was in place for the year of audit and reviewed at a meeting held on 23/5/2023 (Ref: 18). The Risk Assessment and Internal Controls are due for review prior to 31/3/2024.

Reminder: *To ensure that the Risk Assessment/Risk Register and Internal Controls are reviewed, and the review minuted, prior to 31/3/2023.*

The Council have effective internal financial controls in place. On the sample examination undertaken, payment authorisations are made within the remit of Financial Regulation 4.1 and a clear audit trail is in place. It is noted that the majority of payments are under £1,000.

Bank signatories were reviewed at the annual meeting held on 23/5/2023 (Ref: 21). It is noted that there is currently limited access to the accounts and approved signatories are not yet set up. In light of this, the Council have put into place alternative measures for authorisation.

Fidelity Cover: **£1,000,000**

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

Transparency

Under the **Transparency code for smaller authorities**, smaller councils with income/expenditure under £25,000 should publish on their website from 1 April 2015:

Smaller Council: **No**

Website: <https://www.leighonseatowncouncil.gov.uk/>

The Council is not subject to the requirements of the Transparency Code for smaller Councils. The Transparency Code for Councils with a turnover exceeding £200,000 is not covered as part of the Internal Audit.

Under **The Accounts & Audit Regulations 2015 15** councils must publish on their website:

External audit report

2023 Annual Return, Section One Published – Yes

2023 Annual Return, Section Two Published – Yes

2023 Annual Return, Section Three Published – Yes

Contact details : 1 Hembling Terrace, Mill Lane, Suffolk, IP13 0PP

Tel: 07732 681125

Email: heather@heelis.eu

Heather Heelis Dip HE Local Policy FILCM

Lynne Lodge Dip HE Local Policy

Under **The Accounts & Audit Regulations** councils must publish on their website:

Notice of period for the exercise of public rights (2022-2023 financial year)
Published – Yes

Period of Exercise of Public Rights

Start Date [5/6/2023](#) End Date [14/7/2023](#)

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** council are required to display AGAR's for the five years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 on their website.

The Council have met the publication requirements.

Budgetary controls supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £462,056 (2023-2024) Date: 24/1/2023 (Ref: 100)

Effective budgetary procedures were in place for the 2023-2024 financial year. 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.

Petty Cash

Associated books and established system in place

A satisfactory petty cash system is in place with supporting paperwork. A sample of receipts were examined from April 2023 to September 2023 and cross referenced with vouchers and the cash book.

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](#)
Employer's Reference: [662/L988](#)

The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. Supporting paperwork is in place. Payroll was examined for the period April – September 2023 with an audit trail carried out on a sample of payroll transactions, following through from timesheet and PAYE calculations to payslips and bank statement. Salary increases were implemented in April 2023.

Eligible employees have joined the nominated pension scheme. The Council have fulfilled their automatic enrolment duties with The Pensions Regulator (Ref: 1/5/2023).

Asset control

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

A separate asset register is in place and a review was undertaken on 23/5/2023 (Ref: 17). A further examination will be carried out at the year end.

Bank Reconciliation

Regularly completed and cash books reconcile with bank statements

Bank Reconciliations are carried out regularly. Bank reconciliations for all accounts between April and August 2023 were examined. All were found to be in order.

Bank Balances at 31/8/2023 were confirmed as:

<i>HSBC Current</i>	<i>xxxx9162</i>	<i>£12,810.37</i>
<i>HSBC Imprest</i>	<i>xxxx9154</i>	<i>£960.02</i>
<i>HSBC Payroll</i>	<i>xxxx9170</i>	<i>£10,475.06</i>
<i>HSBC Savings</i>	<i>xxxx9189</i>	<i>£204,725.04</i>
<i>TC Petty Cash</i>		<i>£74.24</i>
<i>Café Petty Cash</i>		<i>£234.72</i>
<i>PSDF</i>	<i>xxxx4741</i>	<i>£542,246.85</i>

Reserves

General Reserves are reasonable for the activities of the Council
Earmarked Reserves are identified

To be carried out at the year end.

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.

To be carried out at the year end.

Sole Trustee

The Council has met its responsibilities as a trustee

The Council is not a sole trustee.

Contact details : 1 Hembling Terrace, Mill Lane, Suffolk, IP13 0PP
Tel: 07732 681125
Email: heather@heelis.eu

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

**Internal Audit
Procedures**

The minutes where the 2023 year end Internal Audit report was considered by the Council were not available for the audit. This will form part of the year end Internal Audit.

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 23/5/2023 (Ref: 25).

External Audit

The Council formally approved the 2023 AGAR at a meeting of the full Council held on 23/5/2023 (Ref: 22 & 24).

The External Auditor's report was considered at a meeting held on 13/9/2023 (to be confirmed when the minutes are available).

There were no matters arising from the External Audit.

Additional Comments/Recommendations

1. The Annual Town Council meeting was held on 23/5/2023. The first item of business was the Election of Chairman, in accordance with Standing Orders. It is noted that SO 4b under SO 11a (xvi) was suspended during the appointment of the Chairman.
2. It is noted that not all minutes were available for the audit and therefore parts of the Internal Audit will be carried out at the year end Internal Audit
3. I have been made aware that there is an ongoing personnel matter which may include a specific independent financial audit that extends beyond the remit of the Internal Audit.
4. There are no additional comments/recommendations to make in relation to this audit.
5. Members should be aware that my work cannot be relied on to identify the occasional omission or insignificant error, nor to disclose breaches of trust or statute, neglect or fraud which may have taken place and which it is the responsibility of the members of the Council to guard against.
6. I would like to record my appreciation to the Locum Clerk to the Council for his assistance during the course of the audit work and the Assistant Responsible Finance Officer for the standard and quality of the financial paperwork presented for the audit.



Heather Heelis
Heelis & Lodge
4 October 2023

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Leigh-on-Sea Parish Council
71-73 Elm Road
Leigh-on-Sea
Essex
SS(1SP

Invoice No: HL9386

Date: 4 October 2023

Details	Quantity	Amount (£)	Total (£)
To carry out Interim Internal Audit for Leigh-on-Sea Parish Council for the year ended 31 March 2024	1	370.00	370.00
Total			370.00

Please make cheques payable to: Heelis & Lodge

Bank Details: Account 02539349 Sort Code 72-00-00

Terms – 30 days

Thank you.

HEELIS&LODGE

Contact details : 1 Hembling Terrace, Mill Lane, Suffolk, IP13 0PP

Tel: 07732 681125

Email: heather@heelis.eu

Heather Heelis Dip HE Local Policy FILCM

Lynne Lodge Dip HE Local Policy