

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Interim Internal Audit Report for Leigh-on-Sea Town Council – 2022/2023**

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. cashbook is referenced providing a clear audit trail. Supporting paperwork is in place and well referenced.*

**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: 24/5/2022 (Ref: 11.c)  
Financial Regulations in place: Yes  
Reviewed: 24/5/2022 (Ref: 11.c)

VAT reclaimed during the year: Yes Registered: Yes

*An examination of Quarter One was undertaken and all was found to be in order.*

General Power of Competence: Yes

Adoption of the Code of Conduct: Yes (24/5/2022 – Ref: 11.c)

*There were no tenders during the year that exceeded the £25,000 Public Contract Regulations threshold.*

*The Council reviewed GDPR Governance documents at a meeting held on 24/5/2022 (Ref: 11.c).*

*The following were reviewed and adopted at a meeting held on 24/5/2022:*

- *Complaints Procedure*
- *Land and Assets*
- *Publication Scheme*
- *Media Policy*

## **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)**

### ***Data Protection***

*The General Data Protection Regulations have changed and the new Regulations came into force on 25 May 2018. It is likely that this will affect the way in which the Council handles its data. It is advised that, due to the financial risk associated with the new Data Protection Regulations, this should form part of the Council's Risk Register.*

***Recommendation:*** *To include reference to GDPR in the Council's Risk Register.*

Privacy Policy published: **Yes**

*Insurance was in place for the year of audit. A review was undertaken at a meeting held on 24/5/2022 (Ref: 19).*

*The Risk Management Strategy was last reviewed at a meeting held on 22/3/2022 and is next due for review in March 2023 by the Finance & Governance Committee.*

*The Risk Register, including internal controls, was last reviewed at a meeting held on 22/3/2022 (Ref: 124.d). The next review is due in March 2023.*

*The Council have effective internal financial controls in place. The Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.*

*Bank signatories were reviewed and approved at a meeting held on 24/5/2022 (Ref: 23).*

*Quarterly financial checks are undertaken and the report presented to the Finance & Governance Committee.*

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: [www.leighonseatowncouncil](http://www.leighonseatowncouncil)

*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

*2022 Annual Return, Section One Published – Yes*

*2022 Annual Return, Section Two Published – Yes*

*2022 Annual Return, Section Three Published – Yes*

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

Notice of period for the exercise of public rights

*Published – Yes*

Period of Exercise of Public Rights

Start Date **24/6/2022**

End Date **5/8/2022**

## Budgetary controls supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £452,880 (2022-2023)

Date: 18/1/2022 (Ref: 108)

*Effective budgetary procedures are in place. 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.*

*Allotment fees were reviewed on 16/8/2022 (Ref: 37). The rent increase for 2022/23, which was advised to tenants in September 2021 has been implemented. It was resolved to not increase the rent for 2023-2024.*

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**Petty Cash**

Associated books and established system in place

*A satisfactory petty cash system is in place with supporting paperwork.*

**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**  
P60s issued: **Yes**

*The Council operate RTI in accordance with HMRC regulations. Payroll is outsourced. All supporting paperwork is in place and P60s have been produced as part of the year end process. Eligible staff have joined the LGPS pension scheme.*

*A sample of payroll audit trails were carried out over the months of April 2022 – September 2022. All were found to be in order.*

*A staff appraisal system is in place.*

**Asset control**

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

*A separate asset register is in place. Values are recorded at cost value/insurance value. The total value of assets are recorded at £629,860 (cost value). A further examination will take place at the year end.*

**Bank Reconciliation**

Regularly completed and cash books reconcile with bank statements

*All were in order. Bank Reconciliations are carried out regularly. A sample of bank reconciliations were examined and all found to be in order.*

*Bank Balances at 31 August were confirmed as:*

<i>HSBC Current</i>	<i>xxxx9162</i>	<i>£12,994.88</i>
<i>HSBC Imprest</i>	<i>xxxx9154</i>	<i>£846.46</i>
<i>HSBC Payroll</i>	<i>xxxx9170</i>	<i>£7,444.77</i>
<i>HSBC Savings</i>	<i>xxxx9189</i>	<i>£109,941.35</i>
<i>Petty Cash</i>		<i>£40.00</i>
<i>PSDA</i>	<i>xxxx4741</i>	<i>£524,287.24</i>

## **Reserves**

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

*The Council reviewed their Investment Strategy at a meeting held on 24/5/2022 (Ref: 11.c). An examination on reserves will be carried out at the year end audit.*

## **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.

*End of year accounts are prepared on an Income & Expenditure basis. An examination will take place at the year end.*

## **Sole Trustee**

The Council has met its responsibilities as a trustee

*The Council is not a sole trustee.*

## **Internal Audit Procedures**

*The 2021 Internal Audit report was considered by the Council at a meeting held on 6 September 2022 (Ref: 16). The 2021-2022 Internal Audit was carried out by Auditing Solutions Ltd.*

*Heelis & Lodge were appointed as Internal Auditor at a meeting held on 6/9/2022 (Ref: 17).*

## **External Audit**

*The Council formally approved the 2021 AGAR at a meeting of the full Council held on 24/5/2022 (Ref: 24 & 25).*

*There were no matters arising from the External Audit.*

## **Additional Comments/Recommendations**

- The Annual Town Council meeting was held on 24/5/2022. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- There are no additional comments/recommendations to make in relation to this audit.
- |I would like to take this opportunity to compliment the quality of documentation presented for the audit and the clarity of the website for users.
- I would like to record my appreciation to the Clerk and Finance Officer for their assistance during the course of the audit work



Heather Heelis

**HEELIS & LODGE**

6 October 2022

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# HEELIS&LODGE

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[www.heelisandlodge.co.uk](http://www.heelisandlodge.co.uk)

## INVOICE

**To:**

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

Invoice No: HL9281

Date: 6 October 2022

Details	Quantity	Amount (£)	Total (£)
To carry out Interim Internal Audit for Leigh-on-Sea Parish Council for the year ended 31 March 2023	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**

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