

HEELIS & LODGE

Local Council Services • Internal Audit

Year End 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 and should be read in conjunction with the **Interim Internal Audit report dated 6/10/2022**. The following recommendations/comments have been made:

Income: £688,021.75 Expenditure: £546,342.07 Reserves: £660,497.82

AGAR Completion:

Section One: **No**

Section Two: **Yes - unsigned**

Annual Internal Audit Report 2022/2023: **Yes**

Certificate of Exemption: **No**

Risk Assessment

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

Fidelity Cover: **£1,000,000**

The level of Fidelity cover is within the recommended guidelines of year end balances plus 50% of the precept (£660,497 + £231,028 = £891,525).

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)

Precept: £452,880 (2022-2023)

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

Effective budgetary procedures are in place. The 2023-2024 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.

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**

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

The Council have operated RTI during the year of audit in accordance with HMRC regulations. All supporting paperwork is in place and P60s have been produced as part of the year end process. Eligible staff have the option to join the Essex LGPS pension scheme.

A sample of payroll audit trails were carried out over the months of October 2022 – March 2023. All were found to be in order.

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 £627,378. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.

Bank Reconciliation

Regularly completed and cash books reconcile with bank statements

All were in order. Bank Reconciliations are carried out regularly. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts.

Bank Balances at 31 March were confirmed as:

<i>HSBC Current</i>	<i>xxxx9162</i>	<i>£24,321.47</i>
<i>HSBC Imprest</i>	<i>xxxx9154</i>	<i>£676.72</i>
<i>HSBC Payroll</i>	<i>xxxx9170</i>	<i>£465.24</i>
<i>HSBC Savings</i>	<i>xxxx9189</i>	<i>£113,892.26</i>
<i>Petty Cash</i>		<i>£321.07</i>
<i>PSDF</i>	<i>xxxx4741</i>	<i>£532,364.07</i>

Reserves

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

The Council have adequate general reserves (£162,943.55) and have identified earmarked reserves (£403,381.24) in their year end accounts. Capital Reserves of £94,173.03 were noted.

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. Creditors and Debtors are identified within the year end accounts. The Trial Balance agrees and the Balance Sheet reconciles with the AGAR.

Internal Audit Procedures

The 2022-2023 Interim Internal Audit report was considered by the Council at a meeting held on 1/11/2022 (Ref: 38).

External Audit

The External Auditor's report was considered at a meeting held on 27/9/2022 (Ref: 71).

There were no matters arising from the External Audit.

Additional Comments / Recommendations

- There are no additional comments/recommendations to make in relation to this audit.
- I would like to take this opportunity to congratulate the Council on their commitment to the community they represent and the services that they have provided during 2022-2023.
- I would like to record my appreciation to the Clerk and Finance Officer for their assistance during the course of the audit work and the quality of documentation presented for the audit.



Heather Heelis
Heelis & Lodge
10 May 2023