

HEELIS & LODGE

Local Council Services • Internal Audit

Year End Internal Audit Report for West Mersea Town Council – 2023/2024

The following Internal Audit was carried out on the adequacy of systems of control in accordance with the requirements of the Audit and Accounts Regulations 2015 and the guidance and instruction in the Practitioners Guide 2023 and **should be read in conjunction with the Interim Internal Audit Report dated 30 October 2023**. The following recommendations/comments have been made:

Income: £591,269.94 Expenditure: £548,298.47 Reserves: £553,138.29

AGAR Completion:

Section One: Yes

Section Two: Yes

Annual Internal Audit Report 2023/2024: Yes

Certificate of Exemption: No

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

Financial Regulations in place: Yes

Reviewed:

18/5/2023 (Ref: 132)

3/8/2023 (Ref: 23/179)

7/3/2023 (Ref: 24/60)

VAT reclaimed during the year: Yes

Registered: Yes Reg: (Ref: 104379974)

Submission Period:	Submitted:	Amount:	Received:
1/4/2023-30/6/2023	31/1/2024	£13,197.84	30/5/2024
1/7/2023-30/9/2023	31/1/2024	£11,901.02	30/5/2024
1/10/2023-31/12/2023	31/1/2024	£12,164.76	30/5/2024
1/1/2024-31/3/2024	16/5/2024	£10,926.46	30/5/2024

VAT returns have been completed for the 2023-2024 financial year and funds received HMRC.

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 reviewed and approved the following documents during the period of October 2023 – March 2024:

- *Civility and Respect Pledge (Ref: 24/37)*

7/12/2023 (Ref: 23/259)

- *Reserves Policy*
- *Meeting Protocol*
- *Home and Hybrid Working Policy*
- *Time off in Lieu (TOIL) 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

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. Due to the financial risk associated with the General Data Protection Regulations, the Council have included this in their Risk Assessment.

Privacy Policy published: Yes

Link: <https://www.westmerseatowncouncil.gov.uk/Privacy-Policy>

The Risk Assessment was reviewed at a meeting held on 26/3/2024 (Ref: 24/18.a).

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 at a meeting held on 8/2/2024 (Ref: 24.41.c).

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/Yes

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

The following were reviewed at a meeting held on 7/12/2023 (Ref: 23/265.d):

- *Allotment fees*
- *Cemetery fees*
- *Car park charges*
- *Gate licences*
- *Allotment lease*

Payroll controls

PAYE and NIC in place where necessary.
Compliance with Inland Revenue procedures
Records relating to contracts of employment and pensions

PAYE System in place: Yes
Employer's Reference: 245/CW63
P60s issued: Yes

The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. Supporting paperwork is in place and P60s have been produced as part of the year end process.

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 undertaken at a meeting held on 26/3/2024 (Ref: 24/18.b). Values are recorded at cost value. The Council should ensure that 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>Barclays Current</i>	<i>xxxx7582</i>	<i>£213,843.04</i>
<i>Barclays BP #1</i>	<i>xxxx9001</i>	<i>£6,743.13</i>
<i>Barclays BP #2</i>	<i>xxxx0765</i>	<i>£307.70</i>
<i>NS&I</i>	<i>xxxx6685</i>	<i>£172,080.06 (January 2023)</i>
<i>Unity Trust</i>	<i>xxxx0023</i>	<i>£72,176.95</i>

The Council had no outstanding loans at the year end.

Reserves

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

The Council have adequate general reserves (£259,779) and have identified earmarked reserves of £293,359 in their year end accounts.

The Reserves Policy was reviewed at a meeting held on 7/12/2023 (Ref: 23/259).

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.

Local Council Tax Support Grant is excluded from Box 2: *Yes*

Balance Sheet is correct: *Yes*

Internal Audit Procedures

The 2023-2024 Interim Internal Audit report was considered by the Council at a meeting held on 9/11/2023 (Ref: 23/244.b). The Council have taken on board the recommendations made in the report.

Heelis & Lodge were appointed as Internal Auditor for the 2024-2025 financial year at a meeting held on 7/3/2024 (Ref: 24/64.b).

External Audit

The Council formally approved the 2024 AGAR at a meeting of the full Council held on 24/6/2024 (Ref: 24/130).

Additional Comments/Recommendations

- The Council have adopted a 3-year Action Plan (8/2/2024) which details existing and new projects in addition to ongoing maintenance commitments with an overall objective to serve the residents of West Mersea.
- There are no additional comments/recommendations to make in relation to this audit.
- I would like to record my appreciation to the Clerk to the Council for their assistance during the course of the audit work and the quality of documentation provided for the audit.



Heather Heelis
Heelis & Lodge
11 July 2024

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