

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Canvey Island Town Council – 2024/2025

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 2024. The following recommendations/comments have been made:

Income: £318,863 Expenditure: £296,917 Reserves: £270,446

2025 AGAR Completion:

Section One: Yes – to be approved by council

Section Two: Yes (draft figures) – to be approved by council

Annual Internal Audit Report 2024/2025: Yes

Certificate of Exemption: No

Proper book-keeping Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

All were found to be in order. VAT payments are tracked and identified within the year end accounts. The Council hold the General Power of Competence and LGAs137 does not apply.

The 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: 13/5/2024 (Ref: Ref: CO/016/24) and 14/10/2024 (Ref: CO/107/24)

Financial Regulations in place: Yes

Reviewed: 13/5/2024 (Ref: Ref: CO/016/24)

VAT reclaimed during the year: Yes

Registered: No

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Submission Period:	Amount:	Date:
01/04/2024-30/06/2024	£4,122.54	28/08/2024
01/07/2024-30/09/2024	£4,229.03	18/12/2024
01/10/2024-31/03/2025	£12,528.06	29/04/2025

General Power of Competence: Yes Adopted: 15/5/2023 (Ref: CO/013/23)

Policy Review Schedule in place: Yes

There were no tenders during the year of audit that exceeded the £30,000 Public Contract Regulations threshold.

The Council reviewed the following documents during the year of audit:

13/5/2024

- *Committee Terms of Reference (Ref: CO/011/24)*
- *Health and Safety Policy (Ref: CO/020/24)*

9/12/2024

- *Council Business and Action Plan 2024/2028 (Ref: CO/128/24)*

20/1/2025

- *Business Continuity Plan for the Office (Ref: CO/153/24)*

22/4/2024

- *Removable Media Policy (Ref: P&F/032/23.i)*
- *Publication Scheme (Ref: P&F/032/23.ii)*
- *Flexible Working Request Procedure (Ref: P&F/032/23.iii)*

11/11/2024

- *External Fire Risk Assessment (Ref: P&F/016/24)*
- *Out of Hours Policy (Ref: P&F/017/24.i)*
- *Dignity at Work Policy (Ref: P&F/017/24.ii)*
- *Bully and Harassment Policy (Ref: P&F/017/24.ii)*
- *Parental Leave Procedure (Ref: P&F/017/24.iii)*
- *Paternity Leave Procedure (Ref: P&F/017/24.iv)*
- *Carers Leave Policy (Ref: P&F/017/24.v)*

10/2/2025

- *Social Media Policy (Ref: P&F/026/24.i)*
- *Civic Regalia Policy (Ref: P&F/026/24.i)*

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: Ref: Z2928182

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.canveyisland-tc.gov.uk/privacy-policy>

Insurance was in place for the year of audit (17/8/2024 – 16/8/2025), with a review undertaken on 15/7/2024 (Ref: P&F/009/24.ii). The Risk Assessment and Internal Controls were reviewed at a meeting held on 15/7/2024 (Ref: P&F/007/24).

The Council have good 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 the Annual Town Council meeting held on 13/5/2024 (Ref: CO/019/24.ii).

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.canveyisland-tc.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

2024 Annual Return, Section One Published – Yes

2024 Annual Return, Section Two Published – Yes

2024 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

Publication Date: 22/5/2024 Start Date: 3/6/2024 End Date: 12/7/2024

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** council are required to display AGARs for the five years 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 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: £300,366 (2025-2026)

Date: 9/12/2024 (Ref: CO/127/24)

Precept: £370,676 (2024-2025)

Date: 4/12/2023 (Ref: CO/108/23)

Good 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 a sample of 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 2024 to March 2025 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 and pensions

PAYE System in place: Yes
Employer's Reference: 662/EA14820
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. A sample of payroll records were examined from April 2024 – March 2025 and no irregularities were found.

Eligible employees have joined the nominated pension scheme. The last date of re-declaration of compliance was 3/3/2025. The next due date is 3/3/2028.

Asset control

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

A separate asset register is in place, with a review being undertaken on 13/5/2024 (Ref: CO/019/24.iv). Values are recorded at cost value/insurance value. The total value of assets are recorded at £149,590.51. 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:

Co-op Current	xxxx2854	£177,387.63
Hampshire Trust Bond	xxxx0678	£88,622.89
Petty Cash		£200.00

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 (£246,974) and have identified earmarked reserves of £23,472 in their year end accounts.

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: NA
Balance Sheet is correct: Yes
Trial Balance is correct: Yes

Sole Trustee The Council has met its responsibilities as a trustee

The Council is not a sole trustee.

Internal Audit Procedures

The 2024 Internal Audit report was considered by the Council at a meeting held on 17/6/2024 (Ref: CO/040/24).

A review of the effectiveness of the Internal Audit was carried out on 10/2/2025 (Ref: P&F/028/24.ii).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 10/2/2025 (Ref: P&F/028/24.ii).

External Audit

The Council formally approved the 2024 AGAR at a meeting of the full Council held on 13/5/2024 (Ref: CO/022/24 and CO/23/24).

The External Auditor's report was considered at a meeting held on 14/10/2024 (Ref: CO/108/24).

It is noted that, at the time of the Internal Audit for 2024-2025, the External Auditor has been unable to complete their limited assurances review:

Other matters not affecting our opinion which we draw to the attention of the authority:

We are unable to complete our review work on the AGAR and supporting documentation as a result of correspondence received in relation to 2023/24 and/or prior years. Once we have finalised our review and completed any additional work arising from that correspondence, a final report will be provided with the certificate of completion detailing any qualifications and 'other' matters.

Our fee note for the limited assurance review will be issued when we certify completion.

Additional Comments/Recommendations

- The Annual Town Council meeting was held on 13/5/2024. 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 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

15 May 2025

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