

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Canvey Island Town Council – 2025/2026

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 2025. The following recommendations/comments have been made:

Income: £334,689 Expenditure: £337,789 Reserves: £267,346

2026 AGAR Completion:

Section One: **Yes – to be approved by council on 22/6/2026**

Section Two: **Yes (draft figures) – to be approved by council on 22/6/2026**

Annual Internal Audit Report 2025/2026: **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. 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. There have been no cheques written during the year of audit, all payments are made electronically.

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: **19/5/2025 (Ref: CO014/25) and 23/6/2025 (Ref: CO/043/25)**
Financial Regulations in place: **Yes**
Reviewed: **19/5/2025 (Ref: CO014/25) and 6/10/2025 (Ref: CO/090/25)**

VAT reclaimed during the year: **Yes**
Registered: **No (VAT126)**

Submission Period:	Amount:
<i>01/04/2025-30/06/2025</i>	<i>£6,218.33</i>
<i>01/07/2025-30/09/2025</i>	<i>£8,400.81</i>
<i>01/10/2025-31/12/2025</i>	<i>£8,821.91</i>
<i>01/01/2026-31/03/2026</i>	<i>£6,573,76</i>

General Power of Competence: **Yes** Adopted: **15/5/2023**
 Minute Ref: **CO/013/23**

There have been two tenders during the year that exceeded the £30,000 Public Contract Regulations threshold. Both have followed due process with regards to the Public Contracts Regulations and Financial Regulations.

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

28/4/2025 - Ref: CO186/24

- Procurement Policy*
- Grant Policy*
- Biodiversity Policy*
- Crime and Disorder Policy*
- Accessibility Statement*

19/5/2025

- Committee Terms of Reference – Ref: CO/009/25*
- Asset Register – Ref: CO/017/25.iv*
- Health & Safety Policy – Ref: CO/018/25*

19/1/2026

- Business and Action Plan 2025-2029 – Ref: CO/124/25*

9/2/2026

- Disciplinary Policy – Ref: PER/013/25*

28/7/2025 – Ref: P&F/007/25

- Band Stand Policy*
- Allotment Policy*
- Vexatious or Persistent Complainants’ Policy*
- Annual Leave/Emergency Leave Policy*

9/2/2026 – Ref: P&F/025/25

- IT Policy*
- Allotment Policy*
- Band Stand 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: **Z2928182**

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 Email: heather@heelis.eu

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 Lynne Lodge Dip HE Local Policy

Data Protection

The General Data Protection 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.

Insurance was in place for the year of audit (valid 15/9/2025 – 16/8/2026), with a review being undertaken on 28/7/2025 (Ref: P&F/009/25.ii). It is noted that the Council have Cyber insurance in place as part of their risk assessment. The Risk Assessment was reviewed at a full Council meeting held on 23/6/2025 (Ref: CO/046/25).

Statement of Internal Controls in place: Yes – reviewed 23/6/2025
(Ref: CO/046/25)

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 the Annual meeting held on 19/5/2025 (Ref: CO/017/25.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

Compliance with **Assertion 10**:

Website link: <https://www.canveyisland-tc.gov.uk/>

Privacy Policy published: Yes

Link: <https://www.canveyisland-tc.gov.uk/privacy-policy>

IT Policy in place: Yes

IT Policy published: Yes

Link: [https://www.canveyisland-](https://www.canveyisland-tc.gov.uk/uploads/Policies/CITC%20Computer%20and%20IT%20Policy.pdf)

[tc.gov.uk/uploads/Policies/CITC%20Computer%20and%20IT%20Policy.pdf](https://www.canveyisland-tc.gov.uk/uploads/Policies/CITC%20Computer%20and%20IT%20Policy.pdf)

Data Protection Policy in place: Yes

Data Protection Policy published: Yes

Link: [https://www.canveyisland-](https://www.canveyisland-tc.gov.uk/uploads/Policies/CITC%20Information_Data%20Protection%20Policy.pdf)

[tc.gov.uk/uploads/Policies/CITC%20Information_Data%20Protection%20Policy.pdf](https://www.canveyisland-tc.gov.uk/uploads/Policies/CITC%20Information_Data%20Protection%20Policy.pdf)

Publication Scheme published: Yes

Link: <https://ico.org.uk/media2/for-organisations/documents/1153/model-publication-scheme.pdf>

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Accessibility Statement in place: [Yes/No](#)
Accessibility Statement published: [Yes/No](#)
Link: <https://www.canveyisland-tc.gov.uk/accessibility>

Generic Council email addresses for officials in place: [Yes](#)

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

Audited AGAR:

[2025 Annual Return, Section One Published – Yes](#)

[2025 Annual Return, Section Two Published – Yes](#)

[2025 Annual Return, Section Three Published – Yes](#)

Notice of period for the exercise of public rights (2025)

[Published – Yes](#)

https://www.canveyisland-tc.gov.uk/uploads/Finance/Annual>Returns/2024_25/Notice%20of%20Public%20Rights%2031st%20March%202025.pdf

Notice of Conclusion of Audit (2025)

[Published – Yes](#)

https://www.canveyisland-tc.gov.uk/uploads/Finance/Annual>Returns/2024_25/Notice%20of%20Completion%2031-03-25.pdf

Period of Exercise of Public Rights

Publication Date: [27/5/2025](#) Start Date: [3/6/2025](#) End Date: [14/7/2025](#)

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** council are required to display AGARs for the five years 2020-21, 2021-22, 2022-23, 2023-24 and 2024-2025 on their website.

	Section 1	Section 2	Section 3 (Audited)
2020 - 2021	Yes	Yes	Yes
2021 - 2022	Yes	Yes	Yes
2022 - 2023	Yes	Yes	Yes
2023 - 2024	Yes	Yes	Yes
2024 - 2025	Yes	Yes	Yes

The Council have met the publication requirements.

Under the **Transparency code for smaller authorities**, smaller councils with income/expenditure over £200,000 should publish on their website from 1 April 2015:

Expenditure items over £500 (quarterly) published: **Yes**

Link: <https://www.canveyisland-tc.gov.uk/uploads/Finance/Expenditure%20over%20%C2%A3500/Apr25%20to%20Mar%2026.pdf>

Procurement data published (contracts exceeding £5,000): **Yes**

Link: <https://www.canveyisland-tc.gov.uk/uploads/Tenders/Council%20Tenders%20exceeds%20%C2%A35%2C000.pdf>

Grants awarded to voluntary, community or external bodies published: **Yes**

Link: <https://www.canveyisland-tc.gov.uk/grants-awarded>

Senior salaries (over £50,000) published: **N/A**

Land and car parks published: **Yes**

Link: https://www.canveyisland-tc.gov.uk/uploads/Finance/Asset%20Register%202025_26.pdf

Publication Scheme published: **Yes**

Link: <https://ico.org.uk/media2/for-organisations/documents/1153/model-publication-scheme.pdf>

The Council have met the requirements of the Transparency Code for smaller councils with income/expenditure exceeding £200,000.

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: £490,018 (2026-2027)

Date: 19/1/2026 (Ref: CO/123/25)

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 a sample of income received and banked cross referenced with the Cash Book and bank statements.

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Cash

Associated books and established system in place

A satisfactory system is in place and supporting paperwork in place for cash payments. Audit trails were carried out on a sample of transactions and no anomalies were found.

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 (SGW Payroll). 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 2025 – March 2026 and no irregularities were found.

Eligible employees have joined the nominated pension scheme (LGPS). The last date of re-declaration of compliance was 3/3/2025.

It is noted that the Council undertook a review of salaries at a meeting held on 23/9/2025 (Ref: PER/006/25), where the National Pay Award was noted and backdated to 1/4/2025. A staff appraisal process is in place.

Contracts of Employment and subsequent salary agreements are in place for all staff employed by the Council.

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 £148,905. 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>Co-op Current</i>	<i>xxxx2854</i>	<i>£179,099.17</i>
<i>Hampshire Trust Bond</i>	<i>xxxx0678</i>	<i>£92,487.10</i>
<i>Petty Cash</i>		<i>£200.00</i>

The Council had no outstanding loans at the year end.

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Reserves

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

The Council have adequate general reserves of £211,814 and have identified earmarked reserves of £55,533 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.

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 2024-2025 Internal Audit report was considered by the Council at a meeting held on 19/5/2025 (Ref: CO/020/25).

A review of the effectiveness of the Internal Audit was carried out on 19/5/2025 (Ref: CO/020/25).

Heelis & Lodge were appointed as Internal Auditor for a 3-year period at a meeting held on 10/2/2025 (Ref: P&F/028/24).

External Audit

The Council formally approved the 2025 AGAR at a meeting of the full Council held on 19/5/2026 (Ref: CO/021/25 and CO022/25).

The 2024 External Auditor's report was considered at a meeting held on 6/10/2025 (Ref: CO/087/25).

The 2025 External Auditor's report was considered at a meeting held on 19/1/2026 (Ref: CO/129/25).

There were no matters arising from the External Audit.

Additional Comments/Recommendations

- The Annual Town Council meeting was held on 19/5/2025. 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
9 June 2026

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Canvey Island Town Council
Paddocks Community Centre
Long Road
Canvey Island
Essex
SS8 0JA

Invoice No: HL9747
Date: 9 June 2026

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for Canvey Island Town Council for the year ended 31 March 2026 Year 2 of 3	1	430.00	430.00
Total			430.00

Please make cheques payable to: H J Heelis

Bank Details: Account 92002930 Sort Code 40-47-80

NB Change to bank account details

Terms – 14 days

Thank you.

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