

Louth Town Council

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Your Ref:

Our Ref: A2 LJB

Councillor W. Edginton (Chairman)
Skegness Town Council
PRIVATE AND CONFIDENTIAL
17 Kingsthorpe Crescent
Skegness

PE25 3PW

2nd May 2017

Dear Councillor Edginton,

Internal Audit 2016-17

I am pleased to inform you that I have completed the internal audit on the financial systems of Skegness Town Council on Wednesday 26th April 2017 and found them satisfactory, and signed the appropriate section on the Annual Return accordingly.

The audit process covered all systems, records and procedures used in the office to produce the financial statements throughout the year and the year-end returns – this included random sampling checks of all documentation. I also looked at risk assessments and internal controls which are all in place and operating very well.

The new staffing structure introduced in 2015 has settled down and this is apparent in the high standard of work achieved and on access to information for the public and support to Councillors.

I have enclosed my detailed report which I pleased to report has no recommendations that require following up.

If you have any specific queries or require further information please do not hesitate to contact me.

I can confirm that there are no costs attached to this audit which has been carried out within the quadripartite agreement with Skegness, Mablethorpe, Alford and Louth Town Councils.

Yours sincerely

Mrs Linda Blankley,
Town Clerk,
Louth Town Council

Skegness Town Council

INTERNAL AUDIT REPORT 2016/17

Internal Auditor: Linda Blankley (Town Clerk at Louth)

Date of Audit: Wednesday 26th April 2017

Internal Control	Findings, Recommendations & Notes
Proper Book Keeping	<p>The RBS Omega system is used to record payments and receipts and is used as the basis of the cash book.</p> <p>Controls appear adequate for cash receipts and cheque payments - .</p> <p>A sample check of items and summary totals of payments approved by Council agrees with the cash book totals and balances.</p> <p>A sample check of cash reconciliation shows correct procedures have been undertaken throughout the financial year.</p> <p>November 2016 transactions were tested and all were found to be in order. Separate receipt books have been introduced making reconciliations easier to trace.</p> <p>The accounts are prepared on an income and expenditure basis and prepayments and creditors have been treated correctly.</p>
Standing Orders Payment Controls	<p>Standing Orders and Financial Regulations and Financial Procedures were replaced in November 2016 and were approved by the Council.</p> <p>From a sample of payments in the cashbook, payments are properly supported by invoices and these are approved regularly by the Council.</p> <p>VAT statements and claims are produced from the financial system and appear to be in order and reimbursement claimed appropriately.</p>
Risk Management / Assessment	<p>Following a review of the Town Council minutes, there is no evidence of any unusual financial activities.</p> <p>A governance report is presented to the Council quarterly which includes risk assessment and a comprehensive Asset register maintained to identify liabilities.</p> <p>The insurance provision appears to be adequate with a term policy agreement in place.</p> <p>Reserves are at an acceptable level for liabilities and future plans.</p> <p>Financial Regulations have again been reviewed and amended during the last year. Payment schedules are scrutinised and certified by 2 councillors and transactions correctly accounted for.</p>

Budget Controls	A well evidenced budget has been prepared that supports the precept demand for 2017/18 and was approved by Council. A business plan year projection has been incorporated in the calculations to support an expected increase to the electorate.
Internal Controls	Internal control measures appear adequate and evidenced in the governance reports. Signed copies of the minutes are filed and stored correctly and can all be evidenced on the website.
Income Controls	Controls for miscellaneous income receipts appear adequate. Separate receipt books are now used for each bank account (Burials and General Account). An Allotments finance package is in place and has ensured that an audit trail for rents and deposits has been simplified.
Petty Cash	From a full check of the petty cash and summary totals of payments, sums within the cash book balance. The petty cash float is held securely in a safe held with the correct year-end balance.
Payroll	Satisfactory controls and risk assessment are in place in relation to petty cash with an office and safe float. All transactions appear to be in order including the approval of extra funding and overtime claims.
Asset Controls	The Town Council have a very comprehensive asset register which clearly identifies council assets and their individual and combined values.
Bank Reconciliation	Bank reconciliations are complete for the financial year 2016/17 and supported by payment and receipt entries within the cash book and corresponding bank statements. All un-presented cheques are current.
Year End Procedures	I am satisfied that all year end procedures have been duly undertaken and completed in an appropriate way. The Internal Auditors Section of the Annual Return in support of the accounts to the External Auditor has been completed to this effect.
Transparency	With regard to Governance and public access to financial information – this is very well covered with great improvements in the use of the new website which is user friendly and now carries all supporting documents for agenda / minutes which makes all activities very transparent.

Internal Auditors Comment:

The Town Clerk, deputy and assistants have provided a very comprehensive Control system on behalf of the Town Council during the 2016/17 financial year. I would particularly like to commend Sam for her work on the website which has enabled a large portion of the audit to be desk based and therefore likewise improved ease of access for members of the public and electors.

Linda Blankley
28th April 2017