

LIGHTATOUGH

7 Hodder Close, Chandlers Ford, Hants, SO53 4QD.
Tel: 07762 780605 Email: Tim.Light1@hotmail.co.uk

08 June 2023

The Town Clerk

Ryde Town Council

Town Hall Chambers

10 Lind Street

Ryde

PO33 2 NQ

Dear Lisa

Final Internal Audit Report

Ryde Town Council –October 2022 to March 2023 and Year End procedures

The Accounts and Audit (England) Regulations 2015 (as amended) require all Town and Parish Councils to undertake an effective internal audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

We confirm that we are independent of the Council.

The internal audit work we have carried out has been planned to enable us to give our opinion on the control objectives set out in the Annual Internal Auditor's Report on the 2022-23 Annual Governance and Accountability Return (AGAR).

We have complied with the legal requirements and proper practices set out in:

- 'Accountability and Governance for Smaller Authorities – A Practitioners' Guide (England)' 2022
- The Accounts and Audit (England) Regulations 2015 (as amended).

This is the final audit in 2022/2023 to check that the Council adheres to the requirements set out in the Accountability and Governance for Smaller Authorities in England ensuring that compliance with proper practices is maintained.

It was agreed with the Responsible Finance Officer that the final internal audit review was carried on Thursday 08 June 2023. The Responsible Finance Officer also provided back-up information from SAGE for the period October 2022 to March 2023 and End of Year details in advance of the visit to support the current governance and financial management position of the Council.

Further confirmation has been obtained of good practice and compliance with the Transparency Code Regulations 2015 from the Council's Website.

As we have carried out an Interim Internal Audit visit in 2022/2023, we are also using the information already recorded from this visit to complete the internal control objectives on the (AGAR) Internal Audit Report.

Where this is necessary, we will complete the AGAR Annual Internal Audit Report on evidence already seen from the previous reviews. This is acceptable practice for the External Auditor.

We are pleased to note that a number of the recommendations made in our previous Internal Audit Report have been implemented since our last visit. These include:

- ***A review of the Contract database information shown on the website to ensure it is up to date***
- ***A review of the Assets Register details to confirm that items accurately recorded and to ensure all purchases of value over £500 listed on the Register.***
- ***Signing the bank line report to agree that the totals match to the schedule approved for payment.***
- ***Councillor walkthrough tests on purchase invoices and payment processes.***

We have agreed with the Responsible Finance Officer that the Council should review its current bank arrangements. It has been established that the use of Nat West Bank accounts could pose a risk to the Council.

Any member of staff or Councillor who is mandated or has access to the Town Council bank account and is a personal banking customer with Nat West Bank can access both accounts and transfer monies between them (without any authorisation) using the online banking or the mobile app.

This is highlighted to consider an opportunity to move to another banking provider.

We discussed with the Responsible Finance Officer that planned work for St Thomas's Church has been started and that tender documentation and quotations for all aspects of the work has been produced in line with financial regulations. The Council have appointed an external Project Manager and the Responsible Finance Officer has also been appointed as the Deputy Project Manager. We have noted that the Council have received a Youth Investment Fund Grant totalling £578,557 to be broken down as (Capital £428,557 Revenue £150,000), contracts for Stained Glass Windows, Scaffolding and Clock Restoration were filed on Contract Finder, Contracts have been awarded, works for all three contracts have been started. A Tender for Heating and Electrical works has a closing date of 13th June 2023.

The Council is to complete the purchase of the Ryde Marina at a value of £1. Further work will now be considered for the future of the Marina site and a PWLB Loan has been drawn down for £190,000 in 2022/2023.

The Council continue to hold large cash sums in the Town Council bank accounts. The Responsible Finance Officer has recently opened a CCLA Deposit Account and will be transferring monies into this account to maximise the income of the Town Council in the near future.

The following good Practice continues at the Town Council as:

- The Council maintains its books and records on SAGE software (***Audit Note: We have noted that the Town Council will be using RBS Omega software from the 1 April 2023***)
- The Council is aware of the requirements of GDPR.
- The Council is registered with the ICO.
- Total payments to be authorised are recorded in the Council Minutes
- The budgeting process continues to be detailed and monitored.
- The Council continue to take an active scrutiny role.
- All income and expenditure could be traced to the Council's bank accounts.
- VAT claims continue to be made regularly.
- Payments to HMRC for National Insurance and PAYE are made regularly.
- The website is compliant with the requirements of the Transparency Code Regulations 2015.

- Council Minutes are signed by the Chairman as evidence of decisions taken by the Council.

As part of this final Internal Audit review, we checked:

Bank Reconciliations including Petty Cash

- the Bank Reconciliations at 31 March 2023 was re-performed and the petty cash totals were checked. No errors were noted.

Income and Expenditure

- all income and expenditure items were confirmed and details are accurate to the records held by the Council as at 31 March 2023.

VAT Reimbursement

- the Responsible Finance Officer has submitted a VAT claim to HMRC for the period January 2023 – March 2023 in the sum of £27,222.37. This was submitted in April 2023 and was received on the 02 May 2023.

Risk Assessment 2022/2023

- the risks of the Town Council were not reviewed in 2022/2023 to ensure that the requirements of the Governance and Accountability for Smaller Authorities in England (March 2022) is met. *(Audit Note: We have noted however, that the risk of the Town Council was not reviewed and approved by the Town Council in 2022/2023 and should tick “No” to Assertion 5 on the Governance Statement 2022/2023. We will also tick “No” to Control Objective C on the Annual Internal Audit Report. This was remedied in 2023/2024 at the full Town Council meeting in April 2023.*

Town Council Minutes

- Minutes of the Council were checked on the website for approvals and decisions made and approval of payments was checked for October 2022 to March 2023. *(Audit Note: We were able to verify and sight the signed Minutes for the Finance, Community and Resources Committee but the Minutes for the Full Council could not be verified as signed and initialled on every page at the time of the audit visit. The Town Clerk should verify and confirm in writing that the Minutes of the full Council meetings have been signed and initialled in response to this internal audit report).*

Asset Register

- The Asset Register has been continually reviewed in 2022/2023 and additions and deletions are updated as required.

End of Year Procedures 2022/2023

A full check was carried out on the End of Year documentation provided by the Responsible Finance Officer to confirm the accuracy of the details to be submitted to the External Auditor. This also included the validation of any variances of totals over 15% between 2021/22 and 2022/2023 shown on Section 2 of the AGAR as required by the External Auditor.

The 2022/2023 AGAR Internal Audit Report requires the Internal Auditor to check the Council has correctly provided the proper opportunity for the Exercise of Public Rights in accordance with the requirements of the Accounts and Audit Regulations during 2022.

This includes the Internal Auditor being shown evidence that the posting of the Notice on the website was done at least one clear day before the 30-working day period begins.

(Audit Note; We are pleased to report that the Town Council have displayed the Notice correctly to comply with the requirements of the Accounts and Audit Regulations 2015).

The Annual Internal Audit Report to be submitted to the External Auditor was completed and signed by Tim Light.

June 13, 2023
Page 4

This report should be noted and taken to the next meeting of the Council to inform them of the Internal Audit work carried out. The details of this Internal Audit Letter Report should also be Minuted by the Council.

Yours sincerely,
Tim Light FMAAT
Internal Auditor.