

## Internal Audit Report

(to be read in conjunction with the Annual Internal Audit Report in the Annual Governance and Accountability Return)

Name of council:	Syston Town Council		
Name of Internal Auditor:	Hannah Surtees	Date of report:	20.05.2022
Year ending:	31 March 2022	Date audit carried out:	20.05.2022

*Internal audit is the periodic independent review of a council's internal controls resulting in an assurance report designed to improve the effectiveness and efficiency of the activities and operating procedures under the council's control. Managing the council's internal controls should be a day-to-day function of the staff and management and not left for internal audit.*

**The council is required to take appropriate action on all matters raised in reports from internal and external audit and to respond to matters brought to its attention by internal and external audit. Failure to take appropriate action may lead to a qualified audit opinion.**

### To the Chairman of the Council:

I met with Catherine Voyce (Town Manager and Responsible Financial Officer) on 20 May 2022 to carry out the 2021-22 year-end audit of the Town Council. I would like to thank Catherine for her time and assistance.

A series of independent audit tests were undertaken using the various financial records, documents, minutes, and the previous audit report to ascertain the efficiency and effectiveness of the Council's internal controls.

### Internal Control

1. The accounts are completed in a timely manner and are reported to Council on a monthly basis. There is a more detailed financial report considered quarterly whereby the Council monitors progress against its various budget headings.
2. VAT reimbursement claims are submitted to HMRC on a monthly basis.

### Risk Management

3. The Town Council continually monitors its current level of reserves to ensure that it is sufficient to finance unexpected expenditure or emergencies.

Section 5.32 of Governance and Accountability for Smaller Authorities in England sets the generally accepted recommendation that a Smaller Authority's General Reserve should be maintained at between 3- and 12-months Net Revenue Expenditure.

4. The Town Council is aware of the need to seek specialist VAT advice prior to undertaking large scale projects.

5. The Town Council continues to seek legal assistance to help with the recovery of monies owed to them due to two contractors being unable to fulfil their contractual obligations during the 2021-22 financial year.

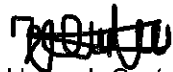
### Governance

6. The Town Council has extensively reviewed its website during the 2021-22 financial year and ensures compliance with the requirements of the Local Government Transparency Code 2015 for larger councils.
7. The Town Council has an extensive list of policy documents along with their associated review dates.
8. The Town Council undertook a thorough review of its chargeable facilities and services to ensure that the charges are comparable with similar sized Councils across the County.
9. Whilst the Council currently has unlimited Committee membership, it should be mindful that Committees are usually set up to bring together a smaller number of Councillors to concentrate on a specific function of the Council in an attempt to share the workload.

By reviewing the hard evidence, discussing with the Town Manager, and selectively testing a small number of transactions, I am satisfied that the Council is operating sound policies and procedures which enable it to deliver its services and fulfil its responsibilities effectively and efficiently. Recommendations have been made within this report to enhance and strengthen the internal controls that exist. I have tested all the Internal Control Objectives I am required to consider, and in all significant respects, the objectives have been met. I have therefore completed the Internal Audit Report section of the Annual Governance and Accountability Return.

This report is based on the evidence made available to me. It would be incorrect to view internal audit as the detailed inspection of all records and transactions of a council to detect error or fraud. Consequently, the report is limited to those matters set out.

Yours sincerely,



Hannah Surtees  
LRALC Internal Auditor

The figures submitted in the Annual Governance and Accountability Return are:

	Year ending 31 March 2021	Year ending 31 March 2022
1. Balances brought forward	430,532	456,775
2. Annual precept	514,820	526,163
3. Total other receipts	64,811	124,998
4. Staff costs	316,123	339,595
5. Loan interest/capital repayments	30,230	30,230
6. Total other payments	207,035	381,408
7. Balances carried forward	456,775	356,703
8. Total cash and investments	450,980	414,732
9. Total fixed assets and long-term assets	3,134,661	3,139,664
10. Total borrowings	141,809	119,070

The proper practices referred to in Accounts and Audit Regulations are set out in *Governance and Accountability for Smaller Authorities in England (2018)*. It is a guide to the accounting practices to be followed by local councils and sets out the appropriate standard of financial reporting to be followed. A copy of the guide is available for free download from:

<http://www.leicestershireandrutlandalc.gov.uk/uploads/governance-and-accountability-for-smaller-authorities-in-england-2019-sections-1-5-1.pdf>