

Peterlee Town Council
Internal Assurance Report
2023-24

FINAL



Section 1 – Introduction and coverage

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Section 1 – Introduction and coverage

You have instructed Clive Owen LLP to undertake Internal Assurance for Peterlee Town Council. This report summarises work carried out by Clive Owen LLP during 2023 / 24, as part of the three-year Service Level Agreement covering the provision of Internal Audit Services up to 31 March 2026.

The report provides assurance on the effectiveness of the Council's control environment, risk management and corporate governance arrangements in place during the year.

The requirement for an internal audit function is implied by Section 151 of the Local Government Act 1972 which requires all relevant bodies to, "make arrangements for the proper administration of their financial affairs and ensure that one of its officers has responsibility for the administration of those affairs".

The Accounts and Audit Regulations 2015 require those bodies to "undertake an adequate and effective system of internal audit of its accounting records and its system of internal control in accordance with the proper practices in relation to internal control".

Anything which should be brought to your attention and / or recommendations for the possible improvements are summarised by use of a 'traffic light' system. The key is as follows:

Status	Risk Level	Classification
RED	High Risk Identified	A fundamental system or control weakness has been identified which presents unacceptable risk to the current systems and internal controls. Management must ensure this recommendation is addressed as a matter of priority.
AMBER	Medium Risk Identified	The current systems and internal controls are effective but there is scope for further improvement where specific weaknesses have been identified whose impact presents potential risks or non-compliance with statutory guidance or legislation.
YELLOW	Low Risk Identified	Systems and controls are designed and in place but could benefit from improvement in design or application. We acknowledge that controls are in place, but attention may be required to ensure these are applied effectively at all times.
GREEN	No Risk Identified	The relevant systems and internal controls in place are well managed and applied effectively. No recommendations have been made.

NOTE TO COUNCIL:

If it is reported on two previous occasions that a particular control tested has been 'amber' then it will automatically be reported as 'red' on the next report if no improvements to the internal control have been made.

If a control has been reported as 'red' this particular test will be revisited at the next termly visit to assess whether new procedures have been introduced.

Section 2 – Executive summary

Introduction

The visit to Peterlee Town Council took place on 21 and 22 February 2024 for the purposes of carrying out tests in accordance with the agreed schedule of work (which incorporates the testing of the main financial areas of the Council function).

A summary of the findings from the reviewed areas is shown below:

Area Reviewed	Current Systems and Internal controls are appropriate	Current Systems and Internal controls are applied effectively	Yellow – low risks identified	Amber – medium risks identified	Red – high risk identified	Status
Procurement	✓	✓ (Subject to low risk recommendation made)	1	0	0	YELLOW
Sales Invoice Procedures	✓	✓	0	0	0	GREEN
Income and Cash Handling	✓	✓	0	0	0	GREEN
Month End and Budget Monitoring	✓	✓	0	0	0	GREEN
Payroll	✓	✓	0	0	0	GREEN
Asset and Investment Register	✓	✓	0	0	0	GREEN
Total			1	0	0	

Section 3 – Previous recommendations

This is the first visit to Peterlee Town Council by Clive Owen LLP so there are no previous recommendations to be reviewed.

Section 4 – Testing and recommendations

Procurement

Ordering Goods and Services

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Chapter 11 of the Peterlee Town Council Financial Regulations includes the following guidance:

“An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate.

Copies of orders shall be retained.

Order books shall be controlled by the Clerk / RFO.

All members and Officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions”.

The process for ordering of goods and services was discussed with the Finance Officer and the Peterlee Town Council Financial Regulations 2023 (chapters 7 and 11 specifically relate to procurement and invoice payments) were reviewed to ensure compliance.

Each department within the Council has their own designated purchase order book that they use for the procurement of goods and services. These books are triplicated and include:

1. A white copy of the order which goes to then supplier (if not emailed)
2. The pink copy of the order is attached to the invoices
3. The blue copy stays in the order book

Each order has a unique purchase order number and requires information such as:

- Department
- Authorised signature
- Supplier
- Date of request
- Unique order number
- Nominal code to which the expenditure is to be allocated
- Order details such as amounts, description of items, and costs
- Deliver to address

Section 4 – Testing and recommendations

Procurement (continued)

Ordering Goods and Services (continued)

The authorisation levels for individual orders as shown in the Peterlee Town Council Financial Regulations are:

- The Clerk can authorise any items up to and including £2,500.00
- The Clerk, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items between £2,500 and £5,000, or
- A duly delegated committee of the Council for items between £2,500 and £5,000.
- Anything over the £5,000 has to be approved by Council (unless this is an emergency requirement)

Once the order has received appropriate authorisation, the order number is either emailed or provided to the supplier via telephone.

On receipt of the goods, the team who ordered the goods are required to confirm the delivery and their satisfaction that the order is complete. Any delivery notes are annotated and attached to the pink copy of the purchase order and any invoices that are received by the Finance Officer.

The copy order, any delivery notes, and invoices received are all sent to and collated by the Finance Officer for reconciling and payment. Each invoice is stamped with the following detail:

- Nominal code
- Cost centre
- Delivery of goods confirmed
- Invoice examined and passed for payment (these are the initials of members who approve the invoices for payment)

A list of purchase ledger payments is created by the Finance Officer which summarises each of the invoices for payment:

- Supplier and invoice details
- Invoice date and invoice number
- Amount due
- Amount paid
- Balance outstanding

The invoice batches are taken to members where at least 2 are required to review and initial each invoice to authorise for payment.

Section 4 – Testing and recommendations

Procurement (continued)

Ordering Goods and Services (continued)

All invoices which have been authorised by the members are then entered onto the main accounting system by the Finance Officer to generate the BACS payments using the Co-op online banking system.

It was noted that the Corporate Services Manager and the Deputy Town Clerk can also both create BACS runs should then need arise.

Access to the online banking is restricted to the use of specific tokens and passwords.

The Finance Officer uploads the CSV file to the bank confirming both the amounts to be paid and the date of payment.

However it was noted that there are no further checks carried out or a review of the BACS information entered by the Finance Officer to ensure the details are correct and match the authorised invoice payment listing.

It appears that the Finance Officer has overall single control on the payment process.

Recommendations

It would be normal procedures that, one member of staff uploads the list of invoice payments to be made onto the online banking system and then, for separation of duties and as a double check, another different member of staff would check and confirm the payments were okay to be made.

<u>Management Response and Agreed Action</u>	<u>Designated Responsible Officer</u>	<u>Target Date for Action Implementation</u>	
<i>Moving forward the finance officer will be training another member of staff on the processes and procedures and they will check and confirm payments.</i>	<i>Ian Hall - Chief Officer and Helen Young - Finance Officer</i>	<i>June 2024</i>	YELLOW

Section 4 – Testing and recommendations

Procurement (continued)

G

Order Completion and Invoice Payments

A sample of payments was selected to ensure that orders have been generated, purchases have been duly authorised and are appropriate, and invoices have been correctly processed for payment, including any VAT elements.

Order No	Invoice date	Supplier	Gross Amount £	Details of Order / Invoice	Invoice number	Delivery certified?	Stamped and dual authorised?	Recorded in accounting system inc VAT
12689	30.11.2023	Thomas Owen	277.09	Cleaning materials	NSOR00092609/1	✓	KL & SS 18.12.2023	Yes, £230.91 + £46.18 vat
12179	24.11.2023	Aitkens Sportsturf Limited	199.20	2 x 5 litre Vision Clean Max Pro Moss killer	24817	✓	KL & SS 18.12.2023	Yes, £166.00 + £33.20 vat
13202	07.12.2023	CMS UK	361.20	Investigate under floor heating issues	INV009385	✓	KL & SS 18.12.2023	Yes, £301.00 + £60.20 vat
12920	24.10.2023	Big Gorilla Signs	2,763.85	PPE Clothing	Inv-0268	✓	KL & SS 18.12.2023	Yes, £2,303.21 + £460.64 vat
12833	06.12.2023	Hartz Entertainments	620.00	Kids entertainments at Xmas Lights switch on 01.12.2023	1033	✓	KL & SS 18.12.2023	Yes, £620.00 no vat element
12913	24.11.2023	Teak Garden Furniture Limited	1,459.20	Handmade solid teak 1500 leviathen bench for Eden Lane Cemetary	24 / 11 / 06245	✓	KL & SS 18.12.2023	Yes, £1,216.00 + £243.20 vat
12831	19.12.2023	Chevron Traffic Management	864.00	Signage for Christmas light switch on	210209	✓	SS, KD & RB 22.01.2024	Yes, £720.00 + £144.00 vat
13165	17.01.2023	Ready Fresh	41.80	Milk and cheese for the Pavillion	073357	✓	SS, KD & RB 22.01.2024	Yes, £41.80 no vat
12692	18.012.2023	Regal Print	174.00	20 x A5 purchase order books	RPL28574	✓	SS, KD & RB 22.01.2024	Yes, £145.00 + £29.00 vat

Section 4 – Testing and recommendations

Procurement (continued)

Order Completion and Invoice Payments (continued)

From the review of the above sample of invoices it is evident that:

- Official orders are used and suitably authorised where required in line with the Financial Regulations guidance on procuring goods or services
- Pink copies of purchase orders are attached to both the invoices and where possible the delivery notes
- Each invoices has been duly stamped to show the nominal and budget code
- Each invoice also has at least the initials of 2 members on to confirm the payment authorisation
- Each invoice had been correctly entered on the main finance system including VAT elements where applicable.

It appears from the sample above that very effective controls are in place.

Section 4 – Testing and recommendations

Procurement (continued)

G

Miscellaneous nominal codes

The nominal ledger on the main accounting system was reviewed and discussed with the Finance Officer to ensure there was not a large miscellaneous code and that expenditure is being split correctly.

Expenditure appears to be separated into sufficient nominal areas and the Finance Officer confirmed that invoices are allocated to an appropriate expenditure code.

This helps to improve the accuracy of the quarterly budget reports that are produced.

Section 4 – Testing and recommendations

Sales Invoice Procedures

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Raising of Sales Invoices

The procedures involved in the requesting of, and then raising of sales invoices were reviewed and discussed with the Finance Officer.

Sales invoices can be raised for charges relating to various provisions including:

- The use of the Pavilion facilities such as
 - the bar and bistro for special events / parties
 - meeting rooms / halls for aerobics / exercise classes or staff awareness training courses ran by the various local authorities
- The use of MUGA facilities for hire
- The use of football pitches for hire
- Services such as allotment rent charges
- Grant invoice recharges
- Secondment of staff charges

The Rialtas Finance System incorporates a booking system which staff have access to so they can generate sales invoices for on-going bookings.

For any non-booking / the one-off ad hoc invoices that are not on the booking system, these are usually requested by the managers to the Finance Officer via an email. The request should always include the following detail:

- Name of client / club / lettee
- Description of the charge (such as office rent, aerobics classes, pitch fees, allotment rents etc)
- Period / frequency of how often the invoice should be raised (such as quarterly, half yearly or annual)
- Date for the invoice
- Amount
- Vat element
- Total amount of the invoice

The invoices are raised on the finance system and e-mailed out to the client with a copy retained on file annotated with the date it has been issued.

Section 4 – Testing and recommendations

Sales Invoice Procedures (continued)

Raising of Sales Invoices (continued)

When the invoices are paid, each invoice is annotated with the following detail:

- The date the invoice was paid
- The method by which the invoice was paid (such as cash, cheque, or BACS)

Following the completion of the monthly bank reconciliation by the Finance Officer, she then runs a sales invoice report to show all un-paid sales invoices by customer. These are issued with an account statement to prompt them to make payment.

All invoices are stored on file in the main finance office for ease of access should the need arise.

Section 4 – Testing and recommendations

Sales Invoice Procedures (continued)

G

Sales Invoicing

A sample of sales invoices raised for facilities including charges for letting of facilities including the bar / bistro, meeting rooms / halls, the MUGA, and other ad-hoc invoices were reviewed to ensure that they had been raised correctly and annotated when the payment had been received before being reconciled as part of the month end process by the Finance Officer.

Date Raised	Customer	Sales Invoice No	Cost Centre and Nominal Code Description	Value £	Paid	Reconciled to Bank Statements	Correctly recorded on Finance System
16.11.2023	Handmadebyhells	10605	Hire income - S/Hall Banqueting Suite	720.00	Yes – paid 20.11.2023	✓	✓
29.11.2023	E Williams	10606	Hire income – Hill Rigg House	30.00	Yes – paid 27.12.2023	✓	✓
29.11.2023	Chris Hind	10607	Helford Road MUGA – sport and leisure	140.00	Yes – paid 04.12.2023	✓	✓
29.11.2023	James Lowery	10608	Helford Road MUGA – sport and leisure	175.00	Yes – paid 13.12.2023	✓	✓
29.11.2023	Easington Colliery Under 10's	10613	Helford Road MUGA – sport and leisure	175.00	Yes – paid 29.11.2023	✓	✓
29.11.2023	Hartlepool BC	10614	Hire income – The Pavilion	1,200.00	Yes – paid 27.12.2023	✓	✓
29.11.2023	North Tees & Hartlepool NHS Trust	10627	Hire income – The Pavilion	175.00	Yes – paid 22.12.2023	✓	✓
22.12.2023	East Durham Funeral service	10653	Hire income – The Pavilion	75.00	Yes – paid 22.12.2023	✓	✓

From the sample of sales invoices reviewed there were no issues identified. There is a debt recovery process in place for unpaid accounts and this is adhered to.

Section 4 – Testing and recommendations

Income and Cash Handling

Income Guidance

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Chapter 10 of the Peterlee Town Council Financial Regulations approved in May 2023 includes pointers such as:

- 10.1 *The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.*
- 10.2 *Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the Council.*
- 10.4 *Any sums found to be irrecoverable, and any bad debts shall be reported to the Council and shall be written off in the year.*
- 10.5 *All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers regularly*
- 10.6 *The origin of each receipt shall be entered on the paying-in slip.*
- 10.8 *The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.*
- 10.9 *Where any significant sums of cash are regularly received by the Council, the RFO shall take such steps as are agreed by the Council to ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.*

Sources of Income Received

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The main sources of income received by the council was discussed with the Finance Manager and includes:

- Bar takings (from the pavilion)
- Allotment rents
- Cemetery purchases
- Fishing Day Passes
- Garage rentals
- Log sales
- Sales invoices
- Various public events tickets and stalls

Section 4 – Testing and recommendations

Income and Cash Handling (continued)

G

Income Safeguarding and Financial Security

The documented process of collecting and recording income from receipt to entering onto the accounting system, then banking was reviewed and discussed with the Finance Officer.

Any cash, cheques or card payments that are made by the public at the main council office reception are all taken and recorded in a duplicate receipt book, with each receipt showing:

- Date
- Receipt number (these are all in sequential order)
- Received from
- Detail / reason for payment
- Whether cash, cheque, or credit card
- Amount received
- Signed by the PTC employee

A white copy of each receipt is provided to the customer with the lower yellow copy retained in the receipt book.

The cash, cheques and credit card transactions are then entered onto a large A3 cash book which shows:

- Date of receipt
- Payee
- Cash amount
- Cheque amount
- Total taken

The cash and cheques are then stored in the main finance office safe until banking is possible (with access to the safe restricted to finance and senior personnel only).

Section 4 – Testing and recommendations

Income and Cash Handling (continued)

Income Safeguarding and Financial Security (continued)

When banking is to take place, the cash book is then ruled off under the most recent transaction showing the total amount of the cash and cheques received since the last banking took place.

These amounts are then reconciled against the takings that have been stored in the safe. The insurance limits for storage of cash in the safe were reviewed and confirmed that these are never exceeded as banking takes place on a frequent basis depending on how much is in the safe.

Cash is taken and deposited into the local post office and any cheques that have been received are posted to the bank (a copy of each cheque is retained with a copy of the deposit slip)

The Pavilion also takes cash for events such as keep fit classes, bar takings, bistro and via reception.

These takings are kept in the safe at the Pavilion until Loomis collect and take to the bank. The takings are recorded on a weekly breakdown sheet detailing:

- Coin / note denominations
- Bistro takings
- Bar takings
- Reception takings
- Total of each denomination
- Total cash
- Total cheques

A copy of the breakdown sheet is retained along with a copy of the deposit slip showing the matching amounts banked. Should there be any cheques taken then a copy of this is also retained with the breakdown summary and deposit slip.

Section 4 – Testing and recommendations

Income and Cash Handling (continued)

G

Miscellaneous receipts and banking

A sample of various income streams were reviewed to ensure that:

- Transactions are completed on the receipt book
- The totals on the receipt book tally with the weekly banking sheet
- All transactions recorded have been banked promptly and in full and agree to bank statements.

Date Income received	Details	Value £	Total Amount Banked £	Deposit Slip Copied	Date Banked	Matches Income Records	Reconciled to Bank Statement	Recorded On Finance Systems
17.01.2024	Horden parish council invoice - recreational ground	1,908.00	1,908.00	Yes	22.01.2024	✓	✓	✓
12.12.2023	Purchase member bench – M Sinclair	1,460.00	3,302.12	Yes	16.01.2024	✓	✓	✓
12.01.2024	Santa's wish income	535.12	3,302.12	Yes	16.01.2024	✓	✓	✓
27.01.2024	Bistro takings w/e 28.01.2024 – see note 1	363.95	1,235.18	Yes	29.01.2024	✓	✓	✓
31.10.2023	Northern electric	241.80	349.35	Yes	30.11.2023	✓	✓	✓
30.11.2023	DCI Gas installations donation	500.00	3,302.12	Yes	16.01.2024	✓	✓	✓
16.10.2023	Fishing day pass – Mr Wood	15.00	785.40	Yes	26.10.2023	✓	✓	✓
10.10.2023	Halloween tickets	15.00	785.40	Yes	26.10.2023	✓	✓	✓

Section 4 – Testing and recommendations

Income and Cash Handling (continued)

Miscellaneous receipts

Note 1 – the weekly summary takings sheet for the Pavilions for the period week ending 28.01.2024 was completed and the deposit slip had been completed and signed off prior to collection with a copy retained on file.

From the testing and review undertaken it appears that all income received is appropriately recorded, securely held prior to banking, and then banked in a timely manner.

Section 4 – Testing and recommendations

Month End and Budget Monitoring Procedures

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Bank Reconciliation

Section 3.2 of the Peterlee Town Council Financial Regulation states that:

“On a regular basis, at least once in each quarter, and at each financial year end, one or more members, other than the Chairman, shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the council and/or Resources Committee”

The reconciliations are usually carried out by the Finance Officer before being reviewed by the Town Clerk and Members on a monthly basis.

The most recent monthly bank reconciliations for the main Business Direct Plus bank account, were discussed before being reviewed.

<u>Bank Rec Ending:</u>	<u>Bank Statement Balance:</u>	<u>Unpresented items balance:</u>	<u>Adjusted Bank Balance:</u>	<u>Sage Cash Book Bank Balance:</u>	<u>Difference Between Bank and Cash Book £:</u>
31 December 2023	924,440.54	2,862.70	927,303.24	927,303.24	£0.00
30 November 2023	1,109,242.41	2,036.40	1,111,278.81	1,111,278.81	£0.00

The above reconciliations had all been completed by the Finance Officer.

The bank statements were also reviewed for any larger or unusual transactions but there were no issues identified.

Section 4 – Testing and recommendations

Month End and Budget Monitoring Procedures (continued)

G

Budgeting and Management Accounts

It was discussed and reviewed with the Finance Officer whether there is a requirement to compile financial information for the Council and if so what detail and how often.

Section 5.8 of The Peterlee Town Council Financial Regulations guidance, states that:

The RFO shall regularly provide the council with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget.

These statements are to be prepared at least at the end of each financial quarter and shall show explanations of material variances. For this purpose “material” shall be in excess of 15% of the budget.

The Finance Officer confirmed that budget information is available via the finance system to all managers to allow them to monitor expenditure across the financial year. The budget is compiled and monitored by the Finance Officer.

The Finance Officer complies the following data to be presented to the Members Policy and Resources Committee every quarter:

- A detailed income and expenditure by phased budget heading report which shows:
 - Cost centre
 - Cost centre description
 - Year to date actual
 - Year to date budget
 - Year to date variance
 - Total annual budget
 - Funds available
 - % spent to date

The most recent above information for the period ending 31 December 2023 (period 09) had been compiled by the Finance Officer and presented to the Town Clerk and other members of the SMT in February 2024 as per email confirmation.

Section 4 – Testing and recommendations

Payroll



The Council currently use Durham County Council for their payroll service.

Payroll Review Procedures

The process undertaken to process, review, authorise and make payroll payments was discussed with the Corporate Services Manager.

Staff don't claim any mileage and the only other claims are for overtime which are detailed on an exception sheet.

Any absences are recorded on the Bright HR system for records such as sickness or Time off in Lieu (TOIL).

The Admin Assistant checks the Bright HR system, and any entries are collated onto an excel spreadsheet – this details all instances of absence in case there are trigger points reached where salaries could be affected.

New starter forms are completed and submitted to Durham County Council as and when required and include data such as:

- Name, address and contact information
- Occupation, grade, date commenced and place of employment
- Full or part time,
- salaried or hourly rate,
- weekly time sheet and salary code and cost centre
- previous local authority service dates and locations

The employee and employee supervisor then both sign and date the form before it is processed.

The notification of leaver form are also completed showing the following detail:

- Employee details such as full name, payroll number, date of leaving and job title
- The authorising officer then completes the designated officer details to confirm the information is accurate.

These are then uploaded to payroll for processing.

Section 4 – Testing and recommendations

Payroll (continued)

These timesheets are then entered onto a Payroll Control Sheet which shows the following data:

- Employee name
- Payroll adjustment type (such as new starter, leaver, contract change, and any comments)
- Sickness absences / leave of absence recording (including employee number and name, absence start date, last day of absence, fit note attached and comments whether the absence relates to sickness or paid leave)

Weekly staff complete a timesheet which requires signing by both the employee and authorised by their line manager. These are then emailed to Durham County Council at the start of the following week and paid to the employee the following Thursday.

The Corporate Services Manager confirmed that any exception sheets are required to be with the payroll team by the 5th of the following month to allow them to be processed.

Any information that effects the monthly payroll is uploaded to Durham County Council using their secure portal, Egress.

Around the middle of the month the Corporate Services Manager receives the payroll reports for review and scrutiny.

A comparison of the previous months gross pay against the expected current month is undertaken to identify any variances. Should there be any issues then an email is sent to the payroll provider to make the necessary amendments which can relate to sickness or time off.

Should there be any issues requiring a correction, such as underpayments, then the payroll provider may be able to carry out supplementary payroll runs if not too late.

If there are no issues, or once any highlighted issues have been addressed, then Durham County Council run the full payroll which is sent across to the Corporate Services Manager. This creates reports for both monthly paid staff and casual paid staff.

These reports are stored on a specific section of the ICT network with only selected staff having access to the sensitive information.

Additional reports are sent through to the Finance Officer to allow checking that the third party payments come out the bank correctly.

Section 4 – Testing and recommendations

Payroll (continued)

G

Pension deductions

A sample of pension deductions from the Council payroll data was selected to ensure that the deductions have been calculated at the correct rates for the relevant gross salaries.

The information was taken from the December 2023 payroll reports.

Employee	Month	Gross Salary £	Pension scheme	Amount of ER's pension £	ER's rate used	Correct rate	Amount of EE's pension £	EE's Rate used	Correct rate
505396	December 2023	1,177.82	T & P CARE Pension	229.67	19.5%	✓	64.78	5.5%	✓
506318	December 2023	1,991.09	T & P CARE Pension	388.26	19.5%	✓	115.48	5.8%	✓
506330	December 2023	3,702.34	T & P CARE Pension	721.96	19.5%	✓	251.76	6.8%	✓
506334	December 2023	3,265.50	T & P CARE Pension	636.77	19.5%	✓	212.26	6.5%	✓
507010	December 2023	1,483.67	T & P CARE Pension	289.32	19.5%	✓	86.05	5.8%	✓
509441	December 2023	921.77	T & P CARE Pension	179.75	19.5%	✓	50.70	5.5%	✓
640117	December 2023	3,618.42	T & P CARE Pension	705.59	19.5%	✓	246.05	6.8%	✓

Of the sample selected all employer and employee pension deductions were calculated correctly based on the gross salaries.

Section 4 – Testing and recommendations

Payroll (continued)

G

Amendments

The Corporate Services Manager confirmed there have been minimal additional hours / overtime claims made, so a sample of the most recent forms from this payroll were reviewed to ensure that they were paid at the correct rate, that appropriately authorised documentation exists, and the amount paid agreed to the source documentation.

Employee	Month	Amendment	Timesheet Form Completed Accurately and Authorised	Amount Paid £	Correct rate	Agreed to supporting documentation
640205	December 2023	6.5 x 1.5 in December 2023 for Christmas lights switch on and 3 x 2.0 in November for Remembrance Day parade.	✓	158.50 + 97.54 = 256.04	✓	✓
641778	December 2023	6.5 x 1.5 in December 2023 for Christmas lights switch on	✓	131.29	✓	✓
641132	December 2023	6.5 x 1.5 in December 2023 for Christmas lights switch on	✓	131.29	✓	✓
506670	December 2023	6.5 x 1.5 in December 2023 for Christmas lights switch on and 3 x 2.0 in November for Remembrance Day parade.	✓	124.84 + 76.82 = 201.66	✓	✓
509542	December 2023	6.5 x 1.5 in December 2023 for Christmas lights switch on	✓	114.95	✓	✓

Of the sample selected all amendments had been appropriately authorised and agreed to sample documentation retained on file.

Section 4 – Testing and recommendations

Payroll (continued)

G

Payroll Deduction Rates

A sample of third-party payroll deductions from the February 2024 salaries were selected to ensure that the various deductions have all been calculated at the correct rates based on individual tax codes and gross salaries.

Employee	Month	Tax code	Gross £	PAYE correctly calculated	EE NI correctly calculated	ER NI correctly calculated	Any Other deductions £	EE pension correctly calculated	ER pension correctly calculated
503162	February 2024	1257L	1,638.71	118.00	59.07	121.354	N/a	N/a	N/a
505094	February 2024	1419L	7,017.84	1,427.27	370.68	863.86	N/a	694.77	1,368.48
506318	February 2024	1257L	1,991.09	165.40	94.31	170.17	N/a	89.07	299.47
506330	February 2024	1267L	3,702.34	478.80	221.75	346.03	N/a	212.26	636.77
506334	February 2024	1261L	3,265.50	400.40	221.75	346.03	N/a	212.26	636.77
506669	February 2024	1256L	1,894.75	147.60	101.05	179.47	N/a	119.39	401.41
508033	February 2024	1135N	1,024.19	4.20	N/a	N/a	N/a	56.33	199.72
641129	February 2024	1389M	2,828.75	297.20	178.07	285.76	20.30 – Unison	183.87	551.61

No issues were identified from the sample reviewed above.

Section 4 – Testing and recommendations

Asset and Investment Register

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Asset and Investment Register

Part of the “Annual Governance and Accountability Return 2023 / 24 Form 3” states that, as part of the Annual Internal Audit Report, one objective includes providing assurance that “*Asset and investments registers were complete and accurate and properly maintained*”.

The Council asset and investment register details the following information in categories of:

- Land and Buildings
- Non-operational Land And Buildings
- Vehicles and Equipment
- Play Equipment
- Burdon Suite
- Brandling Suite
- Outside offices
- Community assets

For each of the above categories the information includes:

- cost as of 01.04.2023,
- additions during year
- disposals during the year
- transfers during the year
- cost at end of 31.03.2024

from review of the Asset and Investment register there had only been a single addition, which was to the Vehicles and Equipment category – a Ferris Pedestrian Mower costing £7,500. There were no other additions or disposals highlighted.

From the review above it appears that the Asset and Investment register is suitably maintained.

Section 5 – Conclusion

Conclusion

Overall, the Council operates a very effective system of control over the various areas reviewed above and there is appropriate segregation of duties given the size of the Council team.

All tests were completed in accordance with the schedule of work and have been satisfactorily concluded subject to the recommendations raised.

The minor recommendation made from this visit relates to the separation of duties when authorising invoice BACS payments.

Clive Owen LLP

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CLIVE OWEN LLP

3 June 2024

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DATE