

Louth Town Council

*The Sessions House, Eastgate,
Louth, Lincolnshire, LN11 9AJ*

*01507 355895
clerk@louthtowncouncil.gov.uk*



Your Ref:

Our Ref: A/2 LMP

The following Accounting Statements as published are unaudited and may be subject to change.

Signed:
Town Clerk and Responsible Financial Officer

21st June 2023

Annual Internal Audit Report 2022/23

LOUTH TOWN COUNCIL

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During the financial year ended 31 March 2023, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2022/23 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. (If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")			✓
L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.	✓		
M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2021/22 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

30/05/2022 15/06/2023

ENT [REDACTED] DDITOR

Signature of person who carried out the internal audit

[REDACTED]

REQUIRED

Date

15/06/2023

***If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).**

****Note:** If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

LOUTH TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2023, that:

	Agreed		'Yes' means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	✓		prepared its accounting statements in accordance with the Accounts and Audit Regulations.
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	✓		made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	✓		has only done what it has the legal power to do and has complied with Proper Practices in doing so.
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	✓		during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	✓		considered and documented the financial and other risks it faces and dealt with them properly.
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	✓		arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.
7. We took appropriate action on all matters raised in reports from internal and external audit.	✓		responded to matters brought to its attention by internal and external audit.
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	✓		disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A
			✓
			has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.

***Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.**

This Annual Governance Statement was approved at a meeting of the authority on:

20/06/2023

and recorded as minute reference:

T23.2d) REFERENCE

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

Clerk

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Section 2 – Accounting Statements 2022/23 for

ENTER NAME OF AUTHORITY

	Year ending		Notes and guidance
	31 March 2022 £	31 March 2023 £	
1. Balances brought forward	590858	613289	Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.
2. (+) Precept or Rates and Levies	275668	283063	Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.
3. (+) Total other receipts	54649	65794	Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.
4. (-) Staff costs	119481	123052	Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments.
5. (-) Loan interest/capital repayments	0	0	Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).
6. (-) All other payments	188405	183492	Total expenditure or payments as recorded in the cashbook less staff costs (line 4) and loan interest/capital repayments (line 5).
7. (=) Balances carried forward	613289	655602	Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).
8. Total value of cash and short term investments	589104	645696	The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – To agree with bank reconciliation.
9. Total fixed assets plus long term investments and assets	1340670	1344324	The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.
10. Total borrowings	0	0	The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).

For Local Councils Only	Yes	No	N/A	
11a. Disclosure note re Trust funds (including charitable)		✓		The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets.
11b. Disclosure note re Trust funds (including charitable)			✓	The figures in the accounting statements above do not include any Trust transactions.

I certify that for the year ended 31 March 2023 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

Signed by Responsible Financial Officer before being presented to the authority for approval

[Signature] RED

Date 30/05/2023

I confirm that these Accounting Statements were approved by this authority on this date:

20/06/2023

as recorded in minute reference:

T23. (e) REFERENCE

Signed by Chairman of the meeting where the Accounting Statements were approved

[Signature] RED

**CONFIRMATION OF THE DATES OF THE PERIOD FOR THE
EXERCISE OF PUBLIC RIGHTS**

Name of smaller authority: LOUTH TOWN COUNCIL

County Area (local councils and parish meetings only): LINCOLNSHIRE

On behalf of the smaller authority, I confirm that the dates set for the period for the exercise of public rights are as follows:

Commencing on THURSDAY 22ND JUNE 2023

and ending on WEDNESDAY 2ND AUGUST 2023

(Please enter the dates set by the smaller authority as appropriate which must be 30 working days (i.e. Monday – Friday only, and not Bank Holidays) inclusive and must include the first 10 working days of July 2023 (i.e. Monday 3 July – Friday 14 July).

We have suggested the following dates: Monday 5 June – Friday 14 July 2023. The latest possible dates that comply with the statutory requirements are Monday 3 July – Friday 11 August 2023.)

Signed: 

Role: TOWN CLERK + RFO

This form is only for use by smaller authorities subject to a review:

Please submit this form to PKF Littlejohn LLP with the AGAR Form 3 and other requested documentation – this form is not for publication on your website.

Bank reconciliation

This reconciliation should include **all** bank and building society accounts, including short term investment accounts. It **must** agree to Box 8 in the column headed "Year ending 31 March 2023" in Section 2 of the AGAR – and will also agree to Box 7 where the accounts are prepared on a receipts and payments basis. Please complete the highlighted boxes, remembering that unpresented cheques should be entered as negative figures.

Name of smaller authority: **Louth Town Council**

County area (local councils and parish meetings only): **Lincolnshire**

Financial year ending 31 March 20xx

Prepared by (Name and Role): **Mrs. Lynda Phillips, Clerk and RFO**

Date: **30/05/2023**

	£	£
Balance per bank statements as at 31/3/23:		
Lloyds Current Account	369,450.9	
Lloyds Deposit Account	166,651.5	
National Savings and Investment Account	111,438.2	
		647,540.6
Petty cash float (if applicable)		155.5
Less: any unpresented cheques as at 31/3/23 (enter these as negative numbers)		
Cheque number 9589	(500.00)	
Cheque number 9594	(500.00)	
Cheque number 9653	(1,000.00)	
		(2,000.00)
Add: any un-banked cash as at 31/3/23	N/A	-
Net balances as at 31/3/23 (Box 8)		<u>645,696.1</u>

Explanation of variances

Name of smaller authority: LOUTH TOWNS COUNCIL

County area (local councils and parish/township units): LOUTH/TOWNS

Insert figures from Section 2 of the AGAR in all Blue highlighted boxes

Next, please provide full explanations, including numerical values, for the following that will be flagged in the green boxes where relevant:

- variances of more than 15% between totals for individual boxes (except variances of less than £200);
- New from 2020/21 onwards: variances of £100,000 or more require explanation regardless of the % variation year on year;
- a breakdown of approved reserves on the next tab if the total reserves (Box 7) figure is more than twice the annual precept/rates & levies value (Box 2).

	2021/22 £	2022/23 £	Variance £	Variance %	Explanation Required?	Automatic responses trigger below based on figures input. DO NOT OVERWRITE THESE BOXES	Explanation from smaller authority (must include narrative and supporting figures)
1 Balances Brought Forward	590,858	613,289					
2 Precept or Rates and Levies	275,668	283,063	7,395	2.68%	NO		
3 Total Other Receipts	54,649	63,794	11,145	20.39%	YES		Receipts in 2022/23 are greater than in 2021/22 as a grant was received in 2022/23 from ELDC in the sum of £23,014. The amount of interest received on bank accounts was also up from £6,172 to £7,458 a total of £1,286. A grant total of £24,692. However, income was down in other areas e.g. Interments were down by £9,987. Chapel rent was down by £300 and the sale of Exclusive Burial Rights was down by £3,151. A total of £13,438. When these amounts are off set against each other (£24,692 - £13,438 = £11,254) it leaves a total unexplained variance of £109 (11,254-11,145) or 1%.
4 Staff Costs	119,462	123,062	3,571	2.99%	NO		
5 Loan Interest/Capital Repayment	0	0	0	0.00%	NO		
6 All Other Payments	180,405	183,492	-4,913	2.61%	NO		
7 Balances Carried Forward	613,289	655,602				VARIANCE EXPLANATION NOT REQUIRED EXPLANATION REQUIRED ON RESERVES TAB AS TO WHY CARRY FORWARD RESERVES ARE GREATER THAN TWICE INCOME FROM LOCAL TAXATION/LEVIES	
8 Total Cash and Short Term Investments	389,104	645,696			YES		
9 Total Fixed Assets plus Other Long Term Investments and	1,340,670	1,344,324	3,654	0.27%	NO		
10 Total Borrowings	0	0	0	0.00%	NO		

Rounding errors of up to £2 are tolerable

Variances of £200 or less are tolerable

BOX 10 VARIANCE EXPLANATION NOT REQUIRED IF CHANGE CAN BE EXPLAINED BY BOX 5 (CAPITAL PLUS INTEREST PAYMENT)

Explanation for 'high' reserves

(Please complete the highlighted boxes.)

Box 7 is more than twice Box 2 because the authority held the following breakdown of reserves at the year end:

	£	£	£
Earmarked reserves:			
EMR CCTV	10000		
EMR Street Furniture	1075		
EMR Anniversary of Louth Flood	302		
EMR Contingency	10744		
EMR Quality Council	4245		
EMR Conservation Area	500		
EMR Civic Events	1763		
EMR War Memorial	8500		
EMR Grants 137 Reserve	3066		
EMR Christmas Illuminations	10436		
EMR Art Trail	1000		
EMR IT Replacement	4208		
EMR Civic Regalia	2000		
EMR TCP Floral Enhancement	2500		
EMR Capital Expenditure	97202		
EMR Accommodation	6162		
EMR Cem External Wall	4000		
EMR Civic Property	3046		
EMR Flood Alleviation Scheme	21500		
EMR Clerks Training	2540		
EMR Accommodation Office Equipment	4224		
EMR Cemetery Planting Project	458		
EMR Cemetery Gates	3000		
EMR Cem Road Maintenance	4000		
EMR Cem Equipment Replacement	9637		
EMR Cem Tree Surgery	5380		
EMR Cem Workshop/Lodge	8056		
EMR Vehicle Replacement	14658		
EMR Cemetery Facilities	3825		
EMR Accommodation Roof	9136		
EMR Accommodation Boiler	3750		
EMR Accommodation Structural	5000		
EMR Accommodation Car Park	2000		
EMR Street Signs/Furniture	15660		
EMR SH Internal Decorating	3000		
EMR Speed Signs	2012		
EMR Tourism	2115		
EMR Elections	18000		
EMR Funding for Sports Assets	5000		
		313699	
General reserve	341903		
		341903	
Total reserves (must agree to Box 7)			655602

Reconciliation between Box 7 and Box 8 in Section 2

(applies to Accounting Statements prepared on an income and expenditure basis only)

Please complete the highlighted boxes.

Name of smaller authority:

Louth Town Council

County area (local councils and parish meetings only):

Lincolnshire

There should only be a difference between Box 7 and Box 8 where the Accounting Statements (Section 2 of the AGAR) have been prepared on an income and expenditure basis and there have been adjustments for debtors/prepayments and creditors/receipts in advance at the year end. Please provide details of the year end adjustments, showing how the net difference between them is equal to the difference between Boxes 7 and 8.

	£	£
Box 7: Balances carried forward		655,602.00
Deduct: Debtors (enter these as negative numbers)		
VAT Claim	(15,316.30)	
Exclusive Burial Rights	(790.00)	
Interments	(1,130.00)	
	(17,236.30)	
Deduct: Payments made in advance (prepayments) (enter these as negative numbers)		
N/A	0.00	
Total deductions		(17,236.30)
Add:		
Creditors (must not include community infrastructure levy (CIL) receipts)		
PATs Testing	155.40	
Cleaning in March	255.20	
Apiary Legal Fees	833.33	
Civic Expenses	657.00	
Civic Property	415.00	
Clocks/Floodlights	2825.00	
LALC Training	72.00	
Amenity Grasscutting	1463.98	
Deputy Mayor's Expenses	31.55	
SH Communications	90.69	
Contingency	430.79	
Cem Waste	100.00	
	7,329.94	
Add:		
Receipts in advance (must not include deferred grants/loans received)		
N/A	-	
Total additions		7,329.94
Box 8: Total cash and short term investments		645,695.64