

Report to Lowestoft Town Council

The End-of-Year Internal Audit for the year ending 31 March 2022

1. Introduction and Summary.

1.1 The Internal Audit has focused upon the End-of-Year Accounts as at 31 March 2022 and builds upon the work previously undertaken on the key systems of internal control during the Interim Internal Audits completed in October 2021, January 2022 and March 2022. The overall internal audit work undertaken and reported upon over the last year has enabled the completion of the Annual Internal Audit Report within the Annual Governance and Accountability Return (AGAR) for the year 2021/22.

1.2 The Internal Audit work undertaken confirmed that during the 2021/22 year the Council maintained effective governance arrangements including a robust framework of financial administration and internal control. The Council continues to prioritise the need to maintain a high standard of financial management and control. Appropriate formal Policies, Procedures and Protocols have been adopted by the Council.

1.3 Robust financial safeguarding measures have been adopted and are in place, including the appointment of Councillors as internal controllers and independent bank reconciliation signatories. The Council has a high standard of budgetary control processes in place and undertook effective strategic monitoring of the Budget during the 2021/22 year. Detailed scrutiny of financial, budgetary and governance matters was undertaken during the year by the Council's Finance and Governance Committee and the Budget and Loan Sub-Committee, both of which undertook detailed consideration of the Draft Budget for 2022/23 leading into the formal approval by Full Council of the Final Budget and Precept for 2022/23 on 25 January 2022. The Council demonstrates good financial practice in the operation of robust budgetary preparation and monitoring.

1.4 By examination of the 2021/22 accounts and supporting documentation it was confirmed that the Clerk, in the role as the Town Council's RFO, satisfactorily undertook the administration of the Council's financial affairs and produced satisfactory financial management information to enable the Council to make well-informed decisions.

1.5 The Accounts for the 2021/22 year confirm the following:

<i>Total Income for the year:</i>	<i>£2,130,847</i>
<i>Total Expenditure for the year:</i>	<i>£1,388,246</i>
<i>Total Reserves at the year-end:</i>	<i>£2,918,496</i>

1.6 The Annual Governance and Accountability Return (AGAR) to the External Auditors, PKF Littlejohn LLP, was examined and the figures listed below were agreed with the Clerk/RFO for inclusion in Section 2 – The Statement of Accounts 2021/22:

<i>Balances at beginning of year (1 April 2021):</i>	<i>Box 1: £2,175,895</i>
<i>Annual Precept 2021/22:</i>	<i>Box 2: £1,765,245</i>
<i>Total Other Receipts:</i>	<i>Box 3: £365,602</i>
<i>Staff Costs:</i>	<i>Box 4: £245,817</i>
<i>Loan interest/capital repayments:</i>	<i>Box 5: £14,123</i>
<i>All Other payments:</i>	<i>Box 6: £1,128,306</i>
<i>Balances carried forward (31 March 2022):</i>	<i>Box 7: £2,918,496</i>
<i>Total cash/short-term investments:</i>	<i>Box 8: £2,803,347</i>
<i>Total fixed assets:</i>	<i>Box 9: £561,402</i>
<i>Total borrowings:</i>	<i>Box 10: £165,000</i>

1.7 Sections One and Two of the AGAR are to be approved and signed at a forthcoming meeting of the Council. The Internal Auditor has completed the Annual Internal Audit Report 2021/22 within the AGAR.

1.8 The following Internal Audit work was carried out on the adequacy of systems of internal control in accordance with the agreed Audit Plan. The Interim Internal Audit Reports completed during the year 2021/22 support and inform this End-of-Year Review. Comments and any recommendations arising from the review are made below.

2. Governance, Standing Orders, Financial Regulations and other Regulatory matters (examination of Standing Orders, Financial Regulations, Code of Conduct, Formal Policies and Procedures, Tenders where relevant. Acting within the legal framework, including Data Protection legislation).

2.1 The Council's overall governance arrangements (including the appointment of Chairs and the Membership and Terms of Reference for each Committee) and other regulatory issues, including the Council's Standing Orders and Financial Regulations, were examined in detail during the Interim Internal Audits in 2021/22 and previously reported upon in the Interim Internal Audit Reports presented to Council.

2.2 The Council continues to demonstrate good practice by maintaining at each meeting a standing agenda item of Governance. In this way the Council ensures that all relevant governance matters are brought to Councillors' attention.

2.3 **Standing Orders** are in place. Following the review and recommendation by the Finance and Governance Committee the Council adopted Standing Orders at the meeting on 25 January 2022. The Standing Orders were also reviewed and adopted by the Council at its meeting on 17 May 2022 as part of the Council's review and adoption of policies and procedures. A copy of Standing Orders has been published on the Council's website.

2.4 Similarly, the Council's **Financial Regulations** were also reviewed and adopted by the Council at its meeting on 17 May 2022. A copy of Financial Regulations has been published on the Council's website.

2.5 The Council is continuing to apply the **General Power of Competence** (GPoC) having declared at its meeting on 14 May 2019 that it was an eligible Council to use GPoC, having two-thirds elected Councillors and a suitably qualified Clerk.

2.6 The Council is correctly **Registered with the Information Commissioner's Office** (ICO) as a public authority under Data Protection legislation (Registration ZA250273 refers, expiring 23 May 2023). The Council maintains a number of formal Data Protection Policies and Procedures and a Privacy Notice to demonstrate compliance with the General Data Protection Regulations (GDPR). During the year 2021/22 the Data Protection Policy and the Data Retention Policy were reviewed and adopted by the Council at its meeting on 28 September 2021.

2.7 **Policies and Procedures** are reviewed by the Finance and Governance Committee (and other Committees) which submit proposals to Full Council for adoption of the documents. At its meeting on 25 January 2022 the Council considered and adopted a range of Policies and Protocols including the Legionella Control and Water Hygiene Policy, the Lone Working Policy, Media Policy, the Member Officer Protocol, Personal Use of the Telephone Policy, Pond Policy, Public Participation Protocol and Public Participation Protocol (video meetings)

2.8 New Policies are also being developed and adopted, alongside the review of existing Policies, to meet the continuing development of the Council.

2.9 A **Code of Conduct for Councillors** is in place and a copy has been published on the Council's website. The Council demonstrates good governance by periodically reviewing the Code of Conduct, which details the requirements and responsibilities placed upon each individual Councillor. At its meeting on 17 May 2022 the Council considered and agreed to adopt the Local Government Association (LGA) Model Councillor Code of Conduct 2020, with effect from 28 June 2022.

3. Accounting Procedures and Proper Book-keeping (*examination of entries in the Cashbook, regular reconciliation of books and bank statements and supporting vouchers, invoices and receipts and VAT accounting*).

3.1 The RBS system satisfactorily maintains the Council's Income and Expenditure accounting system. The accounting information was found to be in good order, well referenced and providing an audit trail to the supporting documentation. The accounting data recorded provides good evidence in support of the income and expenditure in the year and has acted as the basis for the completion of the 2021/22 AGAR. Comprehensive financial reports are being produced from the RBS system, both for internal use by staff and for formal presentation to Councillors.

3.2 This End-of-Year Internal Audit focused upon the RBS accounting system data as at 31 March 2022 in order to confirm complete and accurate data and an accurate Bank Reconciliation at that date. The Finance and Information Officer completes all necessary up-dates to the accounting system, generates reports and achieves regular reconciliations between the Accounts and the bank statements. The Officer received appropriate support from RBS's staff leading into the closure of the 2021/22 Accounts.

3.3 The Clerk/RFO and the Finance and Information Officer continue to be the designated system administrators, the Clerk/RFO having Principal-User Access to all functions and the Finance and Information Officer having Administrative Access. The First Interim Internal Audit review in October 2021 and the specific review in March 2022 confirmed the clear audit trail from the underlying financial records to the Accounts, with appropriate supporting documentation in place.

3.4 The Cashbook Payments List and the Receipts List for the 2021/22 year are well referenced and are linked to a paper system which overall provides the audit trail to the bank statements. The accounting information provides good evidence in support of the income and expenditure in the year.

3.5 The **Councillor Bank Signatories** signed, and confirmed as correct, the payment sheets identifying transactions during the period April 2021 to September 2021 at a sitting on 15 October 2021. The signings by Councillor Bank Signatories on 26 April 2022 and 27 April 2022 included the transactions passing through the Council's accounts through to the end of the financial year 2021/22. The work undertaken by the Councillor Bank Signatories is an important element of the internal control arrangements operating over payments.

3.6 **VAT payments** are tracked and identified within the Cashbook and are being used effectively for reclaims to HMRC. The Council is Registered for VAT purposes. Re-claims for VAT paid are being submitted promptly to HMRC and reimbursement has been received, as follows:

- a) The 2021/22 Quarter 1 re-claim for the £43,843.12 net VAT paid from 1 April 2021 to 30 June 2021 is recorded as received at bank on 13 August 2021 and was reported to Council at its meeting on 24 August 2021.
- b) The 2021/22 Quarter 2 re-claim for the £36,829.50 net VAT paid from 1 July 2021 to 30 September 2021 is recorded as received at bank on 12 November 2021 and was reported to Council at its meeting on 12 November 2021.
- c) The 2021/22 Quarter 3 re-claim for the £56,231.80 net VAT paid from 1 October 2021 to 31 December 2021 is recorded as received at bank on 11 February 2022 and was reported to Council at its meeting on 22 March 2022.

3.7 The 2021/22 Quarter 4 re-claim for the £52,854.52 net VAT paid from 1 January 2022 to 31 March 2022 was correctly listed as a Debtor as at 31 March 2022.

3.8 The Council continues to use **Unity Trust Bank** for its banking requirements and internet banking arrangements, with appropriate controls in place. Amendments to the list of approved signatories are formally considered and approved by the Council.

4. End of Year procedures (Regarding accounting procedures used and can be followed through from working papers to final documents. Verifying sample payments and income. Checking creditors and debtors where appropriate).

4.1 End-of-Year accounts are prepared on an Income and Expenditure basis and were in good order. Sample audit trails were undertaken and were also found to be in good order.

4.2 The Income and Expenditure Account and Balance Sheet were examined in detail and discussed with the Finance and Information Officer. Key supporting entries in the Balance Sheet as at 31 March 2022 included the following:

- a) The Listed Debtors (Sales Ledger Control Account) figure of £210,627 includes a Debtors Account of £197,384.70 relating to Tingdene North Denes Ltd. (camping/caravanning) and a range of smaller accounts, invoices having been issued in March 2022. The Finance and Information Officer confirmed that all invoices listed in the Schedule from earlier dates than March 2022 have since been paid.
- b) A further entry of Other Debtors at £24,193 relating to approximate sums owing from Tingdene North Denes Ltd that had yet to be invoiced as at 31 March 2022.
- c) Prepayments totalled £22,678 and included (inter alia) the Hamilton House Service Charge (£8,312), Hamilton House Capital Repayment (£3,357) and Finance Software 2022/23 (£959).
- d) The Listed Creditors in the Balance Sheet totalled £100,567 and included invoices received in March 2022 from Norse (£59,987), East Point Business Services (£31,724) and a number of other accounts that have since been paid.
- e) The List of Accruals (where a service has been provided but the invoice not yet received) totalled £50,873 and was presented to the Internal Auditor for examination.
- f) Receipts in Advance of £7,500 related to an amount received from Anglian Water relating to the work being undertaken at Links Road Car Park.

4.3 The Finance and Information Officer has prepared a Statement of Analysis of Variances (explaining significant differences in income and expenditure between the years 2020/21 and 2021/22). The Statement will be presented to the External Auditors in support of Section 2 (the Statement of Accounts) in the 2021/22 AGAR and will be published on the Council's website.

5. Bank Reconciliation (Regularly completed and Cashbook reconciles with bank statements).

5.1 The Council's Accounts have been reconciled to the Council's Unity Bank Statements as at 31 March 2022. The Internal Auditor examined the Reconciliation and confirmed the balance with the Bank Accounts.

5.2 Bank Reconciliations are routinely presented to the Finance and Governance Committee and Full Council for examination as part of the Council's overall framework of financial control.

5.3 The Council's Financial Regulations require a Councillor (who is not a Chair or a bank signatory) to take responsibility for verifying the Bank Reconciliations at least once in every Quarter. At its meeting on 18 May 2021, the Council appointed two Councillors as Bank Reconciliation Signatories for the year 2021/22 (Minute 15.3b refers). One of the signatories has since resigned and a replacement has been agreed by Council at its meeting on 22 February 2022 (Minute 167.4 refers). Confirmation continues to be made in the Council's Minutes that the Bank Reconciliation Signatories have reviewed and signed-off the Reconciliations.

6. Budgetary controls (*Verification of the budgetary process with reference to Council Minutes and supporting documents*).

6.1 The Council had robust budgetary control processes in place during 2021/22. This was achieved by means of formal and detailed examination by the Budget and Loan Sub-Committee and the Finance and Governance Committee and the strategic overview by the Full Council. The Finance and Governance Committee and the Budget and Loan Sub-Committee continued to receive appropriate Budget Monitoring Reports (details of actuals to budget projections) during the year of account.

6.2 The Full Council undertook strategic monitoring of the **2021/22 Budget** through a standing agenda item at each meeting. Details of the Budget position were presented to Full Council meetings for consideration and the detailed estimates for the 2021/22 year were used effectively for financial control and budgetary control purposes.

6.3 The Budget and Loan Sub-Committee and the Finance and Governance Committee undertook detailed and in-depth consideration of the **Budget for 2022/23**. The Council gave approval to the Budget and a Precept of £1,867,228 at the meeting on 21 December 2021 (Minute 134.7 refers). The Precept amount was confirmed at the meeting on 25 January 2022 (Minute 150.2).

6.4 A formal Reserves Policy is in place having been adopted by the Council on 24 August 2021. The Policy provides that the Council is working towards achieving a level of General Reserves no less than the equivalent of 6 months' worth of Precept for that particular year. The level of overall Reserves is reviewed as part of the annual budgeting process and on an on-going basis throughout the year by the Budget and Loan Sub-Committee, the Finance and Governance Committee, and Full Council.

6.5 The Clerk/RFO and Deputy Clerk continue to ensure that the Council and its Committees and Sub-Committees are made fully aware of specific responsibilities, commitments, forward planning and the need for adequate reserves.

6.6 As at 31 March 2021 the Council's Overall Reserves total of £2,918,496 is recorded in the Accounts as Earmarked Reserves (£2,821,519) and General Reserves (£96,977) and which (taken overall) is sufficient to meet, within reason, any unforeseen items of expense that may occur.

6.7 The Joint Panel on Accountability and Governance (JPAG) Proper Practices Guide (Item 5.32 refers) states that non-earmarked revenue reserves should usually be between three and twelve months of Net Revenue Expenditure (in effect, of the Precept less any loan repayments). The General Reserves balance of £96,977 is significantly less than the best practice guidelines.

6.8 With regard to this matter, the Finance and Information Officer has advised the Internal Auditor that for General Reserves the Council has a target of 4 months equivalent of Precept by 2024/25 and 6 months by 2028/29 (as envisaged within the approved Reserves Policy) and this is embedded within the 5-year Budget Plan.

6.9 The Clerk/RFO confirmed to the Internal Auditor that the **Capital Programme**, which has been constructed alongside the 2022/23 budget plan, consists of projections for a period of 5 years and identifies the estimated amounts to be set aside to meet future capital projects that the Council may determine.

6.10 The Council acknowledges the importance of prudently investing any temporary surplus funds held by the Council by maintaining and regularly reviewing an Investment Policy and Strategy document. The Council's stated priorities under the Policy are to ensure the security of reserves (protecting the capital sum from loss) and ensure the liquidity of investments (keeping cash readily available for expenditure when needed).

7. Internal Financial Controls, Payments Controls and Audit Procedures (Confirmation that the Council has satisfactory internal financial controls in place).

7.1 Detailed financial information was provided by the Clerk/RFO to the Council and its Committees and Sub-Committees during the 2021/22 year in all aspects of the Council's operations. This has assisted in the maintenance of a robust and effective financial control framework.

7.2 The Council has appointed Councillor Signatories to confirm the validity of financial transactions and has approved the sections of Financial Regulations to reflect the arrangements in place. Amendments to the list of approved signatories are formally considered and approved by the Council.

7.3 The Finance and Governance Committee receives schedules of payments to be made and the list of payments is included in the Minutes of the Committee. The Committee also receives and scrutinises details of income received. The Full Council similarly receives and notes the detailed lists of Income and Expenditure, which are included within the Council's Minutes.

7.4 The Payments system controls were tested during the First Interim Internal Audit by means of examination of a wide-ranging sample of transactions covering the period April 2021 to September 2021.

7.5 On 2 March 2022 the Internal Auditor attended the Council's offices and examined a sample of transactions covering the period October 2021 to February 2022 to assist with the End of Year work to be undertaken in May 2022. Matters arising were reported to the Clerk/RFO on 3 March 2022 and have been reviewed with the Clerk/RFO at this End-of-Year Audit.

7.6 At this End of Year Internal Audit a sample of payment transactions covering the month of March 2022 were examined to complete the audit coverage for the year 2021/22. The sample examined proved satisfactory.

7.7 The First Interim Internal Audit Report (dated 21 October 2021) was received by the Finance and Governance Committee on 4 November 2021 and was accepted by Full Council at its meeting on 23 November 2021.

7.8 The Second Interim Internal Audit was undertaken remotely/electronically in January 2022. An Amended Second Internal Audit Report was received and accepted by the Council at its meeting on 26 April 2022.

8. Payroll Controls (*PAYE and NIC in place; compliant with HMRC procedures; records relating to contracts of employment*).

8.1 The Council's Payroll was examined in detail and tested during the First Interim Internal Audit undertaken in October 2021, when detailed checks were made on a sample of the salary payments during the period 1 April 2021 through to 30 September 2021. All was found to be in order.

8.2 As the Interim Internal Audit undertaken in January 2022 was undertaken remotely/electronically, the operation of the payroll between October 2021 and January 2022 was examined in March 2022 when the auditor attended the Town Council and examined and tested a sample of salary payments made over that period. The sample examined proved satisfactory. The examination included the increases in pay to Staff over that period and the payments made to new employees under their respective Contracts of Employment.

8.3 This End of Year Internal Audit undertook an examination of a sample of the salary payments made relating to February 2022 and March 2022. The March salary payments included back pay due under the NJC National Salary Award for Local Government Officers. The sample examined was found to be in order.

8.4 The Council and the Finance and Governance Committee receive details of salary costs per month. Salary payment totals are recorded in the Minutes of the Council and the Committee.

8.5 At its meeting on 22 February 2022 the Council was advised of the outcome of the recent recruitment of officers. The Council noted that the Committee Clerk would

be starting on 1 March 2022, the Community Warden would take up his duties from 14 March 2022 and the Communications Officer from 28 March 2022.

8.6 During the year 2021/22 the Council's Payroll Services were operated under contract by Guy McGregor and Associates Ltd., operating as the affiliate practice of the company trading as Sword and Trowel Bookkeeping Limited of Crowland, Peterborough with a local office in Eye, Suffolk.

8.7 Comprehensive documentation relating to Staffing is in place and has been reviewed and approved by the Council. This includes the Training and Development Policy, Disciplinary Procedure, Equality and Diversity Policy, Grievance Procedure, Redundancy Policy, Lone Worker Policy and Appraisal Guidance.

9. Petty Cash (*Associated books and established system in place*).

9.1 The Internal Auditor is charged to examine the Petty Cash accounting controls as part of the Annual Governance and Accountability Return (AGAR) certification work.

9.2 The Council resolved on 22 February 2022 to close the Petty Cash system. The Council noted that the preference is for the Clerk/RFO and Deputy Clerk to use the Council approved credit cards; that there was a standalone Petty Cash Policy and a reference to Petty Cash in Financial Regulations which would need to be amended to reflect the change of policy. It was agreed by the Council to pay the balance of £4.98 into the Council's bank account and secure the removal of the Petty Cash system (Minute 167.5 refers). It was noted at that meeting that one of the coins might be counterfeit and the Clerk/RFO has confirmed that one five pence could not be deposited.

9.3 The Petty Cash Account had been closed by the date of the End of Year Accounts 2021/22 (31 March 2022).

10. Income controls (*Regarding Precept and other income, including fees and charges and credit control mechanisms*).

10.1 The Receipts system is operated within the RBS Accounting System. During the First Interim Internal Audit in October 2021, the Internal Auditor completed detailed testing of the Receipts system for the period April 2021 to September 2021. The testing of the samples of transactions proved satisfactory and confirmed that adequate records are being maintained in the RBS accounting system and satisfactory documentary evidence is being retained to support the income received. There is a clear audit trail from the income recorded in the RBS accounting system to bank account statements.

10.2 Similarly, in March 2022 the Internal Auditor attended the Council's offices and examined a sample of transactions covering the period October 2021 to February 2022. Reports upon the findings were presented to the Clerk/RFO on 3 March 2022

10.3 At this End of Year Audit, the Internal Auditor examined a sample of transactions covering the month of March 2022 to complete the audit coverage for the year 2021/22. The sample examined proved satisfactory.

10.4 The Finance and Governance Committee and Full Council receives details of income received, listed month by month. The List of Receipts is included in the Minutes of the meetings.

10.5 The Clerk/RFO and her staff are aware of the importance of income being fully and promptly recorded in the RBS system and reported to Council. Debtors are encouraged to pay by electronic means and there are relatively few instances of income being received through cash or by means of cheque.

11. Internal Control, Risk Management, Risk Assessments and Insurance cover (Review by Council of the effectiveness of internal controls, including the management of risk and Minuted accordingly).

11.1 The Council's **Risk Assessment documentation and the Internal Controls Statement/Checklist for Internal Controllers** were considered and adopted by the Full Council at the meeting on 22 March 2022 (Minutes 183.2d and 183.4 refer). The check list from which the designated Councillor Internal Controller undertakes a review of the system of internal controls, completes all necessary checks and signs a report in confirmation that the review has been undertaken, can assist in informing the Council in its completion of the Annual Governance and Accountability Return (AGAR) for 2021/22.

11.2 The Council complied with Section 4 of the Accounts and Audit Regulations 2015 which require a review by the Full Council at least once a year of the effectiveness of the Council's system of internal control, including the arrangements for management of risk, with the review suitably Minuted.

11.3 The designated Councillor Internal Controller completed the Control Tests under the Annual Internal Control Review on 17 May 2022 and the Statement of Internal Control and the completed Check List was received and approved by the Council on 24 May 2022.

11.4 The Council's **Insurance arrangements** were examined by the Internal Auditor during the First Interim Internal Audit in October 2021 and found to be in order. Insurance is reviewed and closely monitored by the Council, which demonstrates good practice by requiring that the list of Assets is regularly compared to the insurance schedule in order to ensure that all assets receive appropriate cover and that such comparison should be undertaken at least on an annual basis. The Finance and Governance Committee considers insurance cover under its Risk Management and Compliance responsibilities.

11.5 The current insurance cover is in place with Zurich Municipal Insurance and runs from 1 April 2022 to 31 March 2023 and includes cover for Public Liability at £15m, Employer's Liability at £10m and Fidelity Guarantee (Councillor/Employee Dishonesty) £5m.

12. Assets Controls (*Inspection of asset register and checks on existence of assets; recording of fixed asset valuations; cross checking on insurance cover*).

12.1 The Council maintains a standing agenda item for Assets, Inclusion and Development at each meeting and receives reports on the ongoing work on asset records and the management and control of assets, including receiving the Minutes of the AID Committee meetings.

12.2 A detailed Register of Land and Assets is maintained and was reviewed and approved by the Council at its meeting on 26 April 2022.

12.3 For purposes of the AGAR the Asset Register displays a nominal £1 value attached to transferred/donated assets, including civic and ceremonial items, the Lowestoft Collection and further civic artefacts transferred and included in the Register. New acquisitions are valued at purchase cost. The Council also maintains an insurance value for each relevant asset based on an understanding of the value for that purpose.

12.4 As at 31 March 2022 the Asset Register displayed a total value of £561,402, compared to £403,017 at the end of the previous year, 31 March 2021, a net increase of £158,385 (all rounded to the nearest £) and reflected the following acquisitions:

Defibrillator:	£1,740
Staff Laptop x2:	£1,950
Councillor Laptop x9:	£5,221
Councillor Tablets:	£3,910
Marina Theatre Items;	£18,012
Community Warden Room Equip't:	£1,299
Play Equipment:	£120,503
Storage Container:	£5,750

There were no disposals recorded in the year.

12.5 The Register complies with the current requirements which provide that each asset should be recorded at a consistent valuation, year-on-year.

13. Sole Trustee (*To confirm that the Town Council has met its responsibilities as a trustee*).

13.1 The Council acts as the Sole Trustee to the Arnold's Bequest. Reports are made to Meetings of the Arnold Bequest Charity Board and to the Council, as necessary, as part of fulfilling the responsibilities of the Sole Trusteeship.

13.2 The 2021 Annual General Meeting of the Charity Board took place on 27 July 2021. The Trustees to the Charity Board continue to receive updates on the current financial position, details of income and expenditure and bank balances.

13.3 The Charity Commission's website confirms the Frank Thomas Arnold Bequest to be an area of land which was bequeathed to the people of Lowestoft for their use and enjoyment as a Park or Recreation Ground (Charity no. 304785) and as having an Annual Up-date for the year ending 31 March 2021 (received by the Commission on 26 January 2022).

13.4 Since the transfer of the Trust Funds from the (then Waveney) District Council to the Town Council, the Trust Funds have been held in the Council's main bank account. However, the Charity Board agreed on 27 October 2020 that, in accordance with JPAG best practice, it would be more transparent to separate the Charity Board funds from those of the Town Council and a separate bank account for the Arnold Bequest Charity should be opened. At its meeting on 26 January 2021 the Charity Board agreed to open an account with the Co-operative Bank to facilitate the holding of its own funds. Up-dates on this matter have been given to Board meetings.

13.5 As at 31 March 2022, the Council's Accounts record a sum of £26,672 being held on behalf of the Charity.

14. External Audit (*Recommendations put forward/comments made following the annual review*).

14.1 The External Audit review of the Council for the year ending 31 March 2021 was undertaken by PKF Littlejohn LLP, following the Council's submission of the Annual Governance and Accountability Return for the 2020/21 year. The Report and Certificate by the External Auditors is dated 21 September 2021 and raised no issues of concern nor recommended any actions for the Council to take.

14.2 The Report and Certificate by the External Auditors for the 2020/21 year was presented to the Finance and Governance Committee on 14 October 2021 and was received and accepted by the Full Council at its meeting on 26 October 2021.

14.3 The External Audit review of the Council for the year of account ending 31 March 2022 will again be undertaken by PKF Littlejohn LLP following the Council's submission of the AGAR for the 2021/22 year.

15. Publication Requirements.

15.1 Under the Accounts and Audit Regulations 2015 authorities must publish each year the following information on a publicly accessible website (the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 extended the statutory deadlines for the publication of the 2019/20 documents):

Notice of the period for the exercise of Public Rights
AGAR - Sections 1 and 2.

Following the completion of the External Audit:

Notice of Conclusion of Audit

AGAR - Section 3

AGAR - Sections 1 and 2 (including any amendments as a result of the Limited Assurance Review).

15.2 The Internal Auditor was able to confirm that the documents relating to the year 2020/21 were readily accessible on the Council's website:

<https://lowestofttowncouncil.gov.uk>

15.3 The Council is meeting the publication requirements of the Local Government Transparency Code 2015, which provides that larger parish/town councils which have gross annual income or expenditure (whichever is the higher) exceeding £200,000 must publish details of each individual item of expenditure that exceeds £500.

16. Additional Comments.

16.1 I would like to record my appreciation to Ms Shona Bendix, Clerk/RFO and to Mr James Cox, Finance and Information Officer, for their support and assistance during the course of this End-of-Year Audit work.

Trevor Brown

Trevor Brown, CPFA

Internal Auditor

1 June 2022