

HEELIS & LODGE

Local Council Services • Internal Audit

Year End Internal Audit Report for Harwich Town Council – 2021/2022

The following Internal Audit was carried out on the adequacy of systems of control and should be read in conjunction with the Interim Internal Audit report dated 1 November 2021. The following recommendations/comments have been made:

Income: £230,286.36 Expenditure: £183,124.80 Reserves: £166,518.00

AGAR Completion:

Section One: **No**

Section Two: **No – draft figures available**

Annual Internal Audit Report 2020/2021: **Yes**

Certificate of Exemption: **No**

Financial regulations

Standing Orders and Financial Regulations

Tenders

Appropriate payment controls including acting within the legal framework with reference to council minutes

Identifying VAT payments and reclamation

Cheque books, paying in books and other relevant documents

Financial Regulations in place: **Yes**

Reviewed: **22/3/2022 (Ref: F88/21)**

VAT reclaimed during the year: **Yes** Registered: **No**

2/1/2022 £1,433.62

8/10/2021 £1,161.01

6/7/2021 £1,274.89

30/4/2021 £1,266.11

Risk Assessment

Appropriate procedures in place for the activities of the council

Compliance with Data Protection regulations

Risk Assessment document in place: **Yes**

Data Protection registration: **Yes (Ref: Z2801014)**

Insurance was in place for the year of audit. The Risk Assessment, including Internal Controls were reviewed at a meeting held on 22/3/2022 (Ref: F89/21).

The Council have effective internal financial controls in place. The Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.

An independent review of the accounts was undertaken by a councillor, in accordance with the System of Internal Control 3.2.3, on 16/3/2022 for the period October – December 2021 (Ref: 22/3/2022 – item F82/21). All was found to be in order.

Budgetary controls
supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £205,861 (2021-2022) Date: 12/1/2021 (Ref: 100/20)
Precept: £210,328 (2022-2023) Date: 12/1/2022 (Ref: 126/21)

Effective budgetary procedures are in place. The precept was agreed in full council and the precept decision and amount has been clearly minuted. The Clerk ensures the council are aware of responsibilities, commitments, forward planning and the need for adequate reserves. Budget papers are prepared to ensure councillors have sufficient information to make informed decisions. Budgets are monitored during the year.

Income controls

Precept and other income, including credit control mechanisms

Fees for the Guildhall hire were reviewed at a meeting held on 6/7/2021 (Ref: F10/21).

Allotment rents were reviewed 24/6//2021 (Ref: A12/21)

Hill School rents were reviewed 22/9/2021 (Ref: F34/21)

Leisure charges were reviewed 22/3/3022 (Ref: F84/21)

Payroll controls

PAYE and NIC in place where necessary.
Compliance with Inland Revenue procedures
Records relating to contracts of employment

PAYE System in place: Yes
Employer's Reference: 245/KH472
P60s issued: Yes – directly by payroll company to employees

The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. All supporting paperwork is in place and a P60 has been produced as part of the year end process.

Asset control

Inspection of asset register and checks on existence of assets
Cross checking on insurance cover

A separate asset register is in place. Values are recorded at cost value/insurance value. The total value of assets are recorded at £1,373,398.88 / £4,498,291.71. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR.

Bank Reconciliation

Regularly completed and cash books reconcile with bank statements

All were in order. Bank Reconciliations are carried out regularly. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts.

Bank Balances at 31 March were confirmed as:

<i>Barclays Current</i>	<i>xxxx7482</i>	<i>£3,000.00</i>
<i>Barclays Current</i>	<i>xxxx8672</i>	<i>£5,580.97</i>
<i>Barclays Savings</i>	<i>xxxx4593</i>	<i>£236,642.00</i>
<i>NS&I</i>	<i>xxxx1300</i>	<i>£50,000.00 (5/4/2021 – annual statement)</i>
<i>Petty Cashfloats</i>		<i>£242.96</i>

Reserves

General Reserves are reasonable for the activities of the Council
Earmarked Reserves are identified

The Council have adequate general reserves (£112,877) and have identified earmarked reserves (£53,641) in their year end accounts.

Year-end procedures

Appropriate accounting procedures are used and can be followed through from working papers to final documents
Verifying sample payments and income
Checking creditors and debtors where appropriate.

End of year accounts are prepared on an Income & Expenditure basis. Creditors and Debtors are identified within the year end accounts.

Additional Comments/Recommendations

- There are no additional comments/recommendations to make in relation to this audit.
- I would like to record my appreciation to the Clerk to the Council for her assistance during the course of the audit work



Heather Heelis
Heelis & Lodge
19 April 2022

Contact details : 1 Hembling Terrace, Mill Lane, Suffolk, IP13 0PP
Tel: 07732 681125
Email: heather@heelis.eu

Heather Heelis Dip HE Local Policy FILCM
Lynne Lodge Dip HE Local Policy