

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Year End Internal Audit Report for Harwich Town Council – 2023/2024**

The following Internal Audit was carried out on the adequacy of systems of control in accordance with the requirements of the Audit and Accounts Regulations 2015 and the guidance and instruction in the Practitioners Guide 2023 and should be read in conjunction with the Interim Internal Audit report dated 21/11/2023. The following recommendations/comments have been made:

Income: £241,317    Expenditure: £258,823    Reserves: £291,225

### AGAR Completion:

Section One: **No**

Section Two: **Yes – draft figures**

Annual Internal Audit Report 2023/2024: **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: **21/3/2024 (Ref: F91/23)**

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

Period	Date	Amount
2/10/2023 – 31/3/2024	18/4/2024	£5,513.49
1/7/2023 – 30/9/2023	11/10/2023	£3,021.47
1/4/2023 – 30/6/2023	5/9/2023	£3,741.01

**There were no tenders during the year that exceeded the £30,000 Public Contract Regulations threshold.**

### **Risk Assessment**

Appropriate procedures in place for the activities of the council

Compliance with Data Protection regulations

**The Risk Assessment was reviewed at a meeting held on 6/6/2023 (Ref: 021/23). The Financial Risk Assessment was reviewed and approved at a**

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

meeting held on 21/3/2024 (Ref: F92/23). Internal Controls were reviewed on 6/6/2023 (Ref: 020/23) and 21/3/2024 (Ref: F92/23).

The Lone Worker Risk Assessment and Policy was reviewed at a meeting held on 21/3/2024 (Ref: F93/23).

Independent reviews of the accounts were undertaken on 17/11/2023 and 26/2/2024 by a councillor for the periods July – September 2023 and October – December 2023 respectively. It was reported that 'everything appeared to be in excellent order'.

The Annual Data Audit has been undertaken (Ref: 12/12/2023 – F64/23).

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.

**Budgetary controls**  
supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £212,406 (2023-2024)                      Date: 10/1/2023 (Ref: 124/22)  
Precept: £212,629 (2024-2025)                      Date: 10/1/2024 (Ref: 133/23)

Effective budgetary procedures are in place. The budget is prepared by the Finance & General Purposes Committee (Ref: 12/12/2023 – F75/23) and a recommendation for the precept forwarded to full Council. 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

All were found to be in order. Income controls were checked and a sample of income received and banked cross referenced with the Cash Book and bank statements.

Leisure fees were reviewed at the F&GP meeting held on 21/3/2024 (Ref: F89/23).

**Petty Cash**

Associated books and established system in place

A satisfactory petty cash system is in place with supporting paperwork. A sample of receipts were examined from November 2023 to March 2024 and cross referenced with vouchers and the cash book. Petty cash limit is £150 and monthly reconciliations have been undertaken.

## 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

The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. Supporting paperwork is in place and all in order. P60s have been produced as part of the year end process. Eligible employees have joined the nominated pension scheme.

It is noted that the Council undertook a review of salaries at a meeting held on 21/3/2024 (Ref: F102/23).

Councillor allowances are paid through payroll twice a year and PAYE applies. The Mayoral allowance is also processed through payroll and paid twice a year. Payslips are on file.

## 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 in Box 9 of the AGAR. The total value of assets are recorded at £1,381,964. 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:

Barclays Current	xxxx7482	£3,018.00
Barclays Current	xxxx8672	£3,310.67
Barclays Savings	xxxx4593	£106,212.05
NS&I	xxxx1300	£80,000.00
PSDF	xxxx6598	£100,065.16
Petty Cash		£53.59

It is noted that interest of £65.16 is showing on the 31/3/2024 statement. Interest should be automatically transferred to the Council's current account, leaving £100,000 in the PSDF. This is currently being queried with the CCLA and it is noted that an adjustment to the figures at the time of audit may need to be made prior to finalising the year end accounts.

**Reserves**

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

The Council have adequate general reserves (£135,145) and have identified earmarked reserves of £156,080 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.

**Internal Audit Procedures**

The 2023-2024 Interim Internal Audit report was considered by the Council at a meeting held on 0/11/2023 (Ref: 114/23).

**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 their assistance during the course of the audit work and the quality of documentation presented for the audit.



**Heather Heelis**  
**Heelis & Lodge**

7 May 2024

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