

HEELIS&LODGE

Local Council Services • Internal Audit

Year End Internal Audit Report for Harwich Town Council – 2019/2020

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 17/12/2019. The following recommendations/comments have been made:

Income: £220,992 Expenditure: £229,951 Reserves: £205,575

AGAR Completion: AGAR not received from the External Auditor at time of audit.

Section One: **No**

Section Two: **No**

Annual Internal Audit Report 2018/19: **No**

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

Standing Orders in place: **Yes**

Reviewed: 17/10/2018 and 26/3/2020 (due to be held but did not take place due to Covid-19 restrictions)

Financial Regulations in place: **Yes**

Reviewed: 30/9/2019 (Ref: F42/19)

VAT reclaimed during the year: **Yes** (7/4/2020, 10/1/2020, 24/10/2019)

Registered: **No**

General Power of Competence: **No**

There were no tenders during the year that exceeded the £25,000 Public Contract Regulations threshold.

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Budgetary controls Verifying the budgetary process with reference to council minutes and supporting documents

Precept: £197,889 (2019-2020) Date: 8/1/2019 (Ref: 133/18)
Precept: £207,909 (2020-2021) Date: 7/1/2020 (Ref: 115/19)

Good 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

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

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 1/1/2020 to 31/3/2020 and cross referenced with vouchers and the cash book. All were found in order. Petty cash limit £150.00.

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**

The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. All supporting paperwork is in place and P60s have been produced as part of the year end process. The Council use the LGPS pension scheme for eligible staff.

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 £1,379,059. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the RBS draft 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 26/3/2020 were confirmed as:

<i>Barclays Current</i>	<i>xxxx7482</i>	<i>£2,959.85</i>
<i>Barclays Current</i>	<i>xxxx8672</i>	<i>£3,174.47</i>
<i>Barclays Savings</i>	<i>xxxx4593</i>	<i>£156,593.01</i>
<i>NS&I A</i>	<i>xxxx1300</i>	<i>£50,000.00</i>

(5/4/2019 NB NS&I April 2020 statement not available yet)

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

The Council have adequate general reserves (£96,828) and have identified earmarked reserves (£108,747) 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. All were found to be in order.

Internal Audit Procedures

The 2019 Internal Audit report was considered by the Council at a meeting held on 7/1/2020 (Ref: 112/19).

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



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8 April 2020

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