

# HEELIS & LODGE

## Local Council Services • Internal Audit

### **Interim Internal Audit Report for Harwich Town Council – 2022/2023**

The following Internal Audit was carried out on the adequacy of systems of control. The following recommendations/comments have been made:

**Proper book-keeping** Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

*All were found to be in order. LGAs137 and VAT payments are tracked and identified within the minutes and accounts. The cashbook is referenced providing a clear audit trail. Supporting paperwork is in place and well referenced. The Council continue to use the RBS Omega system.*

**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: 7/6/2022 (Ref: 25/22)  
Financial Regulations in place: Yes  
Reviewed: 22/3/2022

VAT reclaimed during the year: Yes (28/10/2022 – April – September 2022)  
Registered: No

General Power of Competence: No

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

**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)

### **Data Protection**

*The General Data Protection Regulations have changed and the new Regulations came into force on 25 May 2018. It is likely that this will affect the way in which the Council handles its data. Due to the financial risk associated with the General Data Protection Regulations, the Council have included this in their Risk Assessment.*

*The Data Protection Risk Assessment was reviewed at a meeting held on 7/6/2022 (Ref: 020/22).*

Privacy Policy published: *Yes*

*Insurance was in place for the year of audit. The Risk Assessment, including Internal Controls, was last reviewed at a meeting held on 7/6/3022 (Ref: 021/22 & 022/22).*

*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.*

*The internal independent review of the accounts was undertaken and reported to the F&GP meeting held on 21/6/2022 (Ref: F12/22) and at the F&GP meeting held on 27/9/2022 (Ref: F32/22). Everything was found to be in order.*

*The annual play area inspection has been undertaken during the year (Ref: 27/9/2022 – item F36/22).*

*Bank signatories were appointed at a meeting held on 7/6/2022 (Ref: 017/22).*

Fidelity Cover: *To be covered at the year end.*

### **Transparency**

Under the **Transparency code for smaller authorities**, smaller councils with income/expenditure under £25,000 should publish on their website from 1 April 2015:

Smaller Council: **No**

Website: [www.harwichtowncouncil.co.uk](http://www.harwichtowncouncil.co.uk)

*The Council is not subject to the requirements of the Transparency Code for smaller Councils. The Transparency Code for Councils with a turnover exceeding £200,000 is not covered as part of the Internal Audit.*

Under **The Accounts & Audit Regulations 2015 15** councils must publish on their website:

External audit report

*2022 Annual Return, Section One Published – Yes*

*2022 Annual Return, Section Two Published – Yes*

*2022 Annual Return, Section Three Published – Yes*

Under **The Accounts & Audit Regulations** councils must publish on their website:

Notice of period for the exercise of public rights

*Published – Yes*

Period of Exercise of Public Rights

Start Date *13/6/2022* End Date *22/7/2022*

*The Council have met the 2022 publication requirements.*

### **Budgetary controls** supporting documents

Verifying the budgetary process with reference to council minutes and

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

*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.*

*Guidhall hire charges were reviewed at the F&GP meeting held on 21/6/2022 (Ref: F11/22).*

*Allotment rents were reviewed on 7/6/2022 (Ref: 25/22).*

*Hill School rents were last reviewed on 22/9/2021 (Ref: F34/21).*

*Leisure charges were last reviewed on 22/3/2022 (Ref: 84/21).*

<b>Petty Cash</b>	<p>Associated books and established system in place</p> <p><i>A satisfactory petty cash system is in place with supporting paperwork. A sample of receipts were examined from April to September 2022 and cross referenced with vouchers and the cash book. An effective referencing system is in place creating a clear audit trail.</i></p>																
<b>Payroll controls</b>	<p>PAYE and NIC in place where necessary. Compliance with Inland Revenue procedures Records relating to contracts of employment</p> <p>PAYE System in place: Yes Employer's Reference: 245/KH472</p> <p><i>The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. A further examination will take place at the year end.</i></p> <p><i>It is noted that the Council undertook a review of salaries at the F&amp;GP meeting held on 21/6/2022 (Ref: F22/22).</i></p>																
<b>Asset control</b>	<p>Inspection of asset register and checks on existence of assets Cross checking on insurance cover</p> <p><i>To be carried out at the year end.</i></p>																
<b>Bank Reconciliation</b>	<p>Regularly completed and cash books reconcile with bank statements</p> <p><i>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.</i></p> <p><i>Bank Balances were confirmed as:</i></p> <table border="0" style="margin-left: 40px;"> <tr> <td><i>Barclays Current</i></td> <td><i>xxxx7482</i></td> <td><i>£2,980.01</i></td> <td><i>30/9/2022</i></td> </tr> <tr> <td><i>Barclays Current</i></td> <td><i>xxxx8672</i></td> <td><i>£2,073.14</i></td> <td><i>30/9/2022</i></td> </tr> <tr> <td><i>Barclays Savings</i></td> <td><i>xxxx4593</i></td> <td><i>£321,188.78</i></td> <td><i>29/11/2022</i></td> </tr> <tr> <td><i>NS&amp;I</i></td> <td><i>xxxx1300</i></td> <td><i>£50,000.00</i></td> <td><i>(5/4/2022 – annual statement)</i></td> </tr> </table>	<i>Barclays Current</i>	<i>xxxx7482</i>	<i>£2,980.01</i>	<i>30/9/2022</i>	<i>Barclays Current</i>	<i>xxxx8672</i>	<i>£2,073.14</i>	<i>30/9/2022</i>	<i>Barclays Savings</i>	<i>xxxx4593</i>	<i>£321,188.78</i>	<i>29/11/2022</i>	<i>NS&amp;I</i>	<i>xxxx1300</i>	<i>£50,000.00</i>	<i>(5/4/2022 – annual statement)</i>
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<b>Reserves</b>	<p>General Reserves are reasonable for the activities of the Council Earmarked Reserves are identified</p> <p><i>To be carried out at the year end.</i></p>																
<b>Year-end procedures</b>	<p>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.</p> <p><i>To be carried out at the year end.</i></p>																

**Sole Trustee**

The Council has met its responsibilities as a trustee

*The Council is not a sole trustee.*

**Internal Audit Procedures**

*The 2022 Internal Audit report was considered by the Council at a meeting held on 7/6/2022 (Ref: 019/22).*

**External Audit**

*The Council formally approved the 2022 AGAR at a meeting of the full Council held on 7/6/2022.*

*The External Auditor's report was considered at a meeting held on 6/9/2022 (Ref: 066/22).*

*There were no matters arising from the External Audit.*

**Additional Comments/Recommendations**

- The Annual Town Council meeting was held on 19/5/2022. The first item of business was the Election of Mayor, in accordance with Standing Orders.
- 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 and the quality of documents presented for the audit.



**Heather Heelis**  
**Heelis & Lodge**  
14 December 2022