

HEELIS & LODGE

Local Council Services • Internal Audit

Year End Internal Audit Report for Harwich Town Council – 2025/2026

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 2025 and should be read in conjunction with the Interim Internal Audit report dated 20/11/2025. The following recommendations/comments have been made:

Income: £252,423 Expenditure: £216,166 Reserves: £371,567

2026 AGAR Completion:

Section One: [Not yet completed](#)

Section Two: [Yes – to be approved by council](#)

Annual Internal Audit Report 2025/2026: [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

Standing Orders in place: [Yes](#)

Reviewed: [3/6/2025 \(Ref: 023/25\)](#)

Financial Regulations in place: [Yes](#)

Reviewed: [18/3/2025 \(Ref: F87/24\)](#) and [17/3/26 \(Ref: F80/25\)](#)

VAT reclaimed during the year: [Yes](#)

Registered: [No](#)

Submission Period:	Amount:
01/04/2025-30/06/2025	£2,958.19
01/07/2025-30/09/2025	£988.12
01/10/2025-31/12/2025	£2,057.63
01/01/2026-31/03/2026	£1,721.86

[There were no tenders during the year that exceeded the £30,000 Public Contract Regulations threshold.](#)

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The Council reviewed the following documents during the year of audit:

24/2/2026

- It Policy – Ref: 134/25
- Document and Data Retention Policy – Ref: 134/25
- Model Publication Scheme – Ref: 134/25

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

The General Data Protection 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 Risk Assessment and Internal Controls were reviewed at a meeting held on 17/3/2026 (Ref: F8/25 and F082/25).

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 Council undertook independent reviews of the accounts, which were reported to the Council on 9/12/2025 (Ref: F057/25) and 17/3/2025 (Ref: F078/25). No irregularities were found.

Transparency

Compliance with **Assertion 10**:

Website link: <https://www.harwichtowncouncil.gov.uk/>

Privacy Policy published: Yes

Link: <https://www.harwichtowncouncil.gov.uk/privacy/>

IT Policy in place: Yes

IT Policy published: Yes

Link: <https://www.harwichtowncouncil.gov.uk/wp-content/uploads/2026/03/NEW-IT-policy-Feb-2026.pdf>

Data Protection Policy in place: Yes

Data Protection Policy published: Yes

Link: <https://www.harwichtowncouncil.gov.uk/wp-content/uploads/2025/12/Data-Protection-Policy-2025.pdf>

Accessibility Statement in place: Yes

Accessibility Statement published: Yes

Link: <https://www.harwichtowncouncil.gov.uk/accessibility/>

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Generic Council email addresses for officials in place: [Yes](#)

Under the **Transparency code for smaller authorities**, smaller councils with income/expenditure over £200,000 should publish on their website from 1 April 2015:

Expenditure items over £500 (quarterly) published: [Yes](#)

Link: <https://www.harwichtowncouncil.gov.uk/transactions-from-april-2025-to-march-2026/>

Procurement data published (contracts exceeding £5,000): [Yes](#)

Link: <https://www.harwichtowncouncil.gov.uk/finance/>

Grants awarded to voluntary, community or external bodies published: [Yes](#)

Link: <https://www.harwichtowncouncil.gov.uk/wp-content/uploads/2026/04/HTC-funded-grants-2025-26.pdf>

Senior salaries (over £50,000) published: [NA](#)

Land and car parks published: [Yes](#)

Link: <https://www.harwichtowncouncil.gov.uk/wp-content/uploads/2026/04/HTC-Building-Land-Assets-with-OS-Grid-Refs-2026-27.pdf>

Publication Scheme published: [Yes](#)

Link: <https://www.harwichtowncouncil.gov.uk/publications/>

The Council have met the requirements of the Transparency Code for smaller councils with income/expenditure exceeding £200,000.

Budgetary controls supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £217,258 (2025-2026)

Date: 14/1/2025 (Ref: 124/24)

Precept: £233,589 (2026-2027)

Date: 13/1/2026 (Ref: 116/25)

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 a sample of income received and banked cross referenced with the Cash Book and bank statements.

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Payroll controls

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

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 P60s have been produced as part of the year end process. A sample of payroll transactions were examined and no irregularities were found.

It is noted that the Council undertook a review of salaries at a meeting (Ref: F093/25).

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. The total value of assets are recorded at £1,379,472. 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	£2,611.49
Barclays Current	xxxx8672	£1,000.00
Barclays Savings	xxxx4593	£187,181.47
NS&I	xxxx1300	£80,000.00
CCLA SDF	xxxx6598	£100,000.00

The Council had no outstanding loans at the year end.

Reserves

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

The Council have adequate general reserves (£141,100) and have identified earmarked reserves of £230,467 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.

Balance Sheet is correct: Yes

Trial Balance is correct: Yes

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 provided for the audit.



Heather Heelis
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23 April 2026