

HEELIS & LODGE

Local Council Services • Internal Audit

Year End Internal Audit Report for Witham 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 17/10/2023. The following recommendations/comments have been made:

Income: £1,115,968 Expenditure: £1,048,548 Reserves: £646,063

AGAR Completion:

Section One: [Yes - unsigned](#)

Section Two: [Yes – RFO signed](#)

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

VAT reclaimed during the year: [Yes](#) 1/4/2023 – 31/3/2024 [£63,558.11](#)

Registered: [No](#)

The Council adopted the following at the meeting held on 30/10/2023:

Dignity at Work Policy (Ref: 126)

Member/Officer Relationships at Work Policy (Ref: 127)

The Council reviewed and approved the following documents:

Grant Awarding Policy - 20/2/2024 (Ref: 69)

Environmental Policy – 22/1/2024 (Ref: 29)

Anonymous Communications Policy – 19/3/2024 (Ref: 45.a)

Data and Document Retention Policy – 19/3/2024 (Ref: 45.b)

Equality Policy – 19/3/2024 (Ref: 45.c)

Extended Procurement Process Policy – 19/3/2024 (Ref: 45.d)

Freedom of Information Policy - 19/3/2024 (Ref: 45.e)

Press and Media Policy - 19/3/2024 (Ref: 45.f)

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General Privacy Notice - 19/3/2024 (Ref: 45.g)
Public Complaints Procedure - 19/3/2024 (Ref: 45.h)
Publication Scheme - 19/3/2024 (Ref: 45.i)
Registration of Gifts and Hospitality Policy - 19/3/2024 (Ref: 45.j)
Training Policy - 19/3/2024 (Ref: 45.k)
Body Worn Camera Policy – 12/12/2023 (Ref: 31.a)
Lone Worker Policy - 12/12/2023 (Ref: 31.b)
Public Artefact Donation Scheme - 12/12/2023 (Ref: 31.c)
Public CCTV Policy - 12/12/2023 (Ref: 31.d)
Vexatious Complaints Policy - 12/12/2023 (Ref: 31.e)

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 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.

Privacy Policy published: **Yes**

Insurance was in place for the year of audit. The Financial Risk Assessment was reviewed at a meeting held on 2/4/2024 (Ref: 202) and the Risk Register on 12/12/2023 (Ref: 34).

The Council have robust and 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.

It is noted that the credit card limit has been increased to £6,000 (Ref: 19/3/2024 – 47).

The Council resolved to increase the sum requiring 3 signatories to £5,000 at a meeting held on 19/3/2024 (Ref: 48).

It is noted that since the Interim Audit the Financial Scrutiny Panel have undertaken the End of Year Assessment on 22/3/2024 covering the following areas:

- *Budget Management*
- *Administration*
- *Policy and Internal Control*
- *Tenders*

Budgetary controls
supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £797,941 (2023-2024) Date: 23/1/2023 (Ref: 170)
Precept: £942,473.57 (2024-2025) Date: 8/1/2024 (Ref: 157)

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. Supporting paperwork for event income is in place with clear terms and conditions for hirers.

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.

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/WW723
P60s issued: Yes

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

Audit trails were carried out on a sample for each month for the period November 2023 to March 2024 and all was found to be in order. Timesheets are completed and overtime claim forms are in place when required.

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 £1,198,321.33. 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. A sample of bank reconciliations from all accounts were examined for accuracy. 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>Lloyds Business</i>	<i>xxxx2286</i>	<i>£203,413.65</i>
<i>Lloyds Deposit</i>	<i>95 Day</i>	<i>£193,137.78</i>
<i>Unity Trust</i>	<i>xxxx4430</i>	<i>£8,849.72</i>
<i>Unity Trust</i>	<i>xxxx5851</i>	<i>£188,886.29</i>
<i>Petty Cash</i>		<i>£41.53</i>

Reserves

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

The Council have adequate general reserves (£365,845) and have identified earmarked reserves (£280,218) in their year end accounts.

It is noted that the Council have reviewed their Treasury and Investment plan to maximise return (Ref: 12/12/2023 – 33). It was resolved to open a PSDF for 6 months.

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 30/10/2023 (Ref: 125).

A review of the effectiveness of the Internal Audit was carried out on 5/3/2024 (Ref: 194).

Heelis & Lodge were appointed as Internal Auditor for the next 3 years at a meeting held on 5/3/2024 (Ref: 194).

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 and the exceptional quality of documentation presented for the audit.



Heather Heelis
Heelis & Lodge
2 May 2024