

HEELIS & LODGE

Local Council Services • Internal Audit

Year End Internal Audit Report for Witham Town Council – 2022/2023

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 18 October 2022. The following recommendations/comments have been made:

Income: £824,529 Expenditure: £787,845 Reserves: £578,643

AGAR Completion:

Section One: [Yes – To be signed](#)

Section Two: [Yes – To be signed](#)

Annual Internal Audit Report 2022/2023: [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: [26/9/2022 \(Ref: 94\)](#)

Financial Regulations in place: [Yes](#)

Reviewed: [16/5/2022 \(Ref: 18\)](#)

VAT reclaimed during the year: [Yes](#) Registered: [No](#)

[£9,674.88](#) [January – March 2023](#)

[£8,686.03](#) [October – December 2022](#)

[£12,574.11](#) [July – September 2022](#)

[£10,216.11](#) [April – June 2022](#)

[There were no tenders during the year that exceeded the £25,000 Public Contract Regulations threshold.](#)

[The Council adopted the Dignity at Work policy on 26/9/2022 \(Ref: 101\).](#)

[The Council adopted the Members/Officers Relations policy on 26/9/2022 \(Ref: 102\).](#)

[The Council adopted the Civility and Respect Pledge on 26/9/2022 \(Ref: 103\).](#)

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

The following policies were reviewed at a meeting held on 6/3/2022:

- *Equality*
- *Freedom of Information*
- *Press and Media*
- *Public Complaints Procedure*
- *Training*
- *Members' Allowance*
- *CCTV*

The following policies were reviewed at a meeting held on 5/12/2022:

- *Body Worn Camera*
- *Lone Work*
- *Social Media*
- *Public Complaints Procedure*
- *Public Artefact Donation Scheme*
- *Public CCTV*

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 Financial Risk Assessment.

Insurance was in place for the year of audit. The Risk Assessment was reviewed at a meeting held on 5/12/2022 (Ref: 34). The Financial Risk Assessment was reviewed and approved at a meeting held on 3/10/2022 (Ref: 20).

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.

Bank signatories were reviewed at a meeting held on 23/1/2023 (Ref: 168).

Fidelity Cover: **£894,000**

The level of Fidelity cover has been increased in line with the recommendation from the Interim Audit and now falls within the recommended guidelines of year end balances plus 50% of the precept.

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: <https://www.witham.gov.uk/>

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** council are required to display AGAR's for the five years 2017-18, 2018-19, 2019-20, 2020-21 and 2021-22 on their website.

The Council have met the publication requirements.

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: £704,406 (2022-2023)

Date: 17/1/2022 (Ref: 180)

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.

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 2022 to March 2023 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**

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

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. Eligible employees have joined the nominated pension scheme. A number of audit trails were examined during the period November 2022 to March 2023 and all was found to be in order.

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 £1,151,845.85. 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:

| | | |
|------------------------|-------------------|--------------------|
| <i>Lloyds Business</i> | <i>xxxx2286</i> | <i>£17,877.03</i> |
| <i>Lloyds Deposit</i> | <i>WITHAMCOUN</i> | <i>£299,722.42</i> |
| <i>Unity Trust</i> | <i>xxxx4430</i> | <i>£248,465.96</i> |
| <i>Petty Cash</i> | | <i>£105,76</i> |

It is noted that a Unity Trust Deposit account is being opened.

Reserves

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

The Council have adequate general reserves (£305,724) and have identified earmarked reserves (£286,432) 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. The Balance Sheet and Trial Balance were all in order.

Sole Trustee

The Council has met its responsibilities as a trustee

The Council is not a sole trustee.

**Internal Audit
Procedures**

The 2022-2023 Interim Internal Audit report was considered by the Council at a meeting held on 24/10/2022 (Ref: 115). It is noted that Fidelity Cover has been increased following the recommendation to review.

External Audit

The External Auditor's report was considered at a meeting held on 26/9/2022 (Ref: 95).

There were no matters arising from the External Audit.

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 quality of documentation presented for the audit.



**Heather Heelis
Heelis & Lodge**
30 May 2023