

HEELIS & LODGE

Local Council Services • Internal Audit

Interim Internal Audit Report for Witham 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. 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. VAT payments are tracked and identified within the accounts. The Council hold the General Power of Competence and LGAs137 does not apply. Supporting paperwork is in place and well referenced. It is noted that the Council have moved from Rialtas to Scribe for the 2025-2026 financial year.

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: 13/5/2025 (Ref: 17)

Financial Regulations in place: Yes

Reviewed: 13/5/2025 (Ref: 17)

VAT reclaimed during the year: Yes

Registered: No

The Council are in the process of registering for VAT. A claim was made at the end of the 2024-2025 financial year. To date the Council are still waiting for registration to take place.

General Power of Competence: Yes

There was one tender during the year to date that exceeded the £30,000 Public Contract Regulations threshold.

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

29/9/2025

- *Meeting Attendance Policy (Ref: 105.a)*
- *Sexual Harassment Prevention Policy (Ref: 105.b)*
- *Dignity at Work Policy (Ref: 105.c)*
- *Officers, Members Relations Policy (Ref: 105.d)*
- *Stress Management Policy (Ref: 105.e)*

1/9/2025

- *Social Media for Members and Officers Policy (Ref: 90)*

7/7/2025

- *Co-option Policy (Ref: 57)*

13/5/2025

- *Scheme of Delegation (Ref: 11)*
- *Code of Conduct (Ref: 19)*
- *Community Engagement Statement (Ref: 23)*
- *Treasury and Investment Policy (Ref: 24)*

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: **Z6922290**

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.

Privacy Policy published: **Yes**

Link:

https://www.witham.gov.uk/_files/ugd/ddf4e3_399099d2c322414aab1ea5b762521b0c.pdf

IT Policy: **Yes**

Link:

https://www.witham.gov.uk/_files/ugd/ddf4e3_25d9c82e431c40649ead07a2302a4f1e.pdf

Data Protection Policy: **Yes**

Link:

https://www.witham.gov.uk/_files/ugd/ddf4e3_0db012a449a94d2884641fd91422fbdf.pdf

Insurance was in place for the year of audit (valid 13/10/2025 – 30/6/2026). The Risk Assessment was reviewed at a meeting held on 28/10/2025 (Ref: 123). The Internal Control Statement was agreed at a meeting held on 7/7/2025 (Ref: 56).

Statement of Internal Controls in place: Yes
Reviewed: 28/10/2025 (Ref: 124)

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 appointed at the Annual meeting held on 13/5/2025 (Ref: 20).

The Financial Scrutiny Panel undertook a Financial Risk Assessment cover the following areas on 3/10/2025:

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

Fidelity Cover: £1,000,000

The level of Fidelity cover is below the recommended guidelines of year end balances plus 50% of the precept ie. £789,281 + £518,632 = £1,307,913.

The Council undertook a review of Fidelity cover on 13/5/2025 (Ref: 26) and resolved that additional cover was not required as stringent measures were in place to reduce risk. It is noted that Financial Regulation 15.4 states that Fidelity guarantee insurance 'shall cover the maximum risk exposure as determined annually by the Council.'

Recommendation: *To review the wording of Financial Regulation 15.4.*

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/>

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

2025 Annual Return, Section One Published – Yes

2025 Annual Return, Section Two Published – Yes

2025 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 (2025)

Published – Yes

Notice of Conclusion of Audit (2025)

Published – Yes

Period of Exercise of Public Rights

Publication Date: *2/6/2025* Start Date: *3/6/2025* End Date: *14/7/2025*

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** council are required to display AGARs for the five years 2020-21, 2021-22, 2022-23, 2023-24 and 2024-2025 on their website.

	Section 1	Section 2	Section 3 (Audited)
2020 - 2021	<i>Yes</i>	<i>No</i>	<i>No</i>
2021 - 2022	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>
2022 - 2023	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>
2023 - 2024	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>
2024 - 2025	<i>Yes</i>	<i>Yes</i>	<i>Yes</i>

The Council have yet to meet the publication requirements.

Recommendation: *The Council should publish the missing information.*

Budgetary controls supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £1,037,265.74 (2025-2026) Date: 7/1/2025 (Ref: 154)

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.

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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 April to October 2025 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 and pensions

PAYE System in place: **Yes** Employer's Reference: **245/WW723**
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. An examination was undertaken on a sample of payroll documentation between April – October 2025. There were no anomalies found.

Eligible employees have joined the nominated pension scheme. The last date of re-declaration of compliance was 19/11/2024.

Asset control

Inspection of asset register and checks on existence of assets
Cross checking on insurance cover

A separate asset register is in place, with a review being undertaken at the Annual meeting held on 13/5/2025 (Ref: 21). Values are recorded at cost value. A further examination will take place at the year end.

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 were confirmed as:

<i>Lloyds Business</i>	<i>xxxx2286</i>	<i>£18,377.16</i>	<i>(9/10/2025)</i>
<i>Lloyds Deposit</i>	<i>95 Day</i>	<i>£204,112.70</i>	<i>(9/10/2025)</i>
<i>Unity Trust</i>	<i>xxxx4430</i>	<i>£25,309.88</i>	<i>(31/10/2025)</i>
<i>Unity Trust</i>	<i>xxxx5851</i>	<i>£813,543.57</i>	<i>(30/9/2025)</i>
<i>CCLA PSDF</i>	<i>xxxx8237</i>	<i>£190,000.00</i>	<i>(31/10/2025)</i>
<i>Petty Cash</i>		<i>£17.69</i>	<i>(31/10/2025)</i>

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- Reserves** General Reserves are reasonable for the activities of the Council
Earmarked Reserves are identified
- The Council have adequate general reserves and have identified earmarked reserves in their accounts. A further examination will take place at the year end.*
- 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.
- To be carried out at the year end audit.*
- Sole Trustee** The Council has met its responsibilities as a trustee
- The Council is not a sole trustee.*
- Internal Audit Procedures**
- The Year End 2024-2025 Internal Audit report was considered by the Council at a meeting held on 13/5/2025 (Ref: 26).*
- A review of the effectiveness of the Internal Audit was carried out on 8/10/2025 (Ref: 124).*
- Heelis & Lodge were appointed as Internal Auditor at a meeting held on 13/5/2025 (Ref: 22).*
- External Audit**
- The Council formally approved the 2025 AGAR at a meeting of the full Council held on 13/5/2025 (Ref: 28 and 29).*
- The External Auditor's report was considered at a meeting held on 29/9/2025 (Ref: 104).*
- There were no matters arising from the External Audit.*

Additional Comments/Recommendations

- The Annual Town Council meeting was held on 13/5/2025. The first item of business was the Election of Town 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 their assistance during the course of the audit work and the quality of documentation provided for the audit.



Heather Heelis
Heelis & Lodge
10 November 2025

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INVOICE

To:

Witham Town Council
Town Hall
Newland Street
Witham
Essex
CM8 2FE

Invoice No: HL9641

Date: 10 November 2025

Details	Quantity	Amount (£)	Total (£)
To carry out Interim Internal Audit for Witham Town Council for the year ended 31 March 2026	1	395.00	395.00
Total			395.00

Please make cheques payable to: H J Heelis

Bank Details: Account 92002930 Sort Code 40-47-80

NB Change to bank account details

Terms – 14 days

Thank you.

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