

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Iterim Internal Audit Report for Witham Town Council – 2024/2025**

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 2024. 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. LGA1972 s137 is not used as the Council use the General Power of Competence. VAT payments are tracked and identified within the accounts. The cashbook is referenced and supporting paperwork is in place and well referenced. The Council use the RBS Omega software which provides comprehensive reports and a clear audit trail.*

**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: 5/8/2024 (Ref: 65) and 13/5/2024 (Ref: 18)  
Financial Regulations in place: Yes  
Reviewed: 5/8/2024 (Ref: 66) and 13/5/2024 (Ref: 19)

VAT reclaimed during the year: Yes  
Registered: No – currently seeking VAT registration

Submission Period: Amount:  
01/04/2023-31/03/2024 £63,558.11

General Power of Competence: Yes

Policy Review Schedule in place: Yes

*The following documents were reviewed during the year:*

- *Members' Allowance Policy – 8/7/2024 (Ref: 50)*
- *Scheme of Delegation – 13/5/2024 (Ref: 17)*
- *Code of Conduct - 13/5/2024 (Ref: 20)*

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- *Community Engagement Statement - 13/5/2024 (Ref: 24)*
- *Treasury and Investment Policy - 13/5/2024 (Ref: 25)*
- *Allotment Policy – 14/10/2024 (Ref: 28)*
- *Scattering of Ashes on Open Spaces Policy – 15/4/2024 (Ref: 48)*

16/9/2024

- *Crime and Disorder Policy – (Ref: 55.a)*
- *Whistleblowing Policy – (Ref: 55.b)*
- *Meeting Attendance Policy – (Ref: 55.c)*
- *Social Media Policy for Members and Officers – (Ref: 55.d)*
- *Public CCTV Policy – (Ref: 55.e)*
- *Councillor Grant Scheme Policy – (Ref: 56.a)*
- *Petitions Policy – (Ref: 56.b)*

22/7/2024

- *Hire of Open Spaces Policy – (Ref: 10)*
- *Commemorative Items on Witham Town Council Open Spaces Policy – (Ref: 11)*
- *Snow Clearance Policy – (Ref: 12)*
- *Biodiversity Policy – (Ref: 13)*

*There were no tenders during the year that exceeded the £30,000 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: Z6922290

### **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/Notice published: **Yes**

Link:

[https://www.witham.gov.uk/\\_files/ugd/ddf4e3\\_399099d2c322414aab1ea5b762521b0c.pdf](https://www.witham.gov.uk/_files/ugd/ddf4e3_399099d2c322414aab1ea5b762521b0c.pdf)

*Insurance was in place for the year of audit (Renewal date 1/7/2025). The Risk Assessment was reviewed at a meeting held on 2/4/2024 (Ref: 202) following recommendation from the Scrutiny Panel.*

*An Interim Financial Risk Assessment was undertaken on 5/9/2024.*

*It is noted that Financial Regulations have been amended to reduce the number of signatories transferring funds to the CCLA account in excess of £5,000 from 3 to 2 (5/8/2024 – 66). For all other payments in excess of £5,000 the number of signatories required remains at 3 (FR 5.3).*

*Bank signatories were reviewed at a meeting held on 11/6/2024 (Ref: 34), with the addition of a 6<sup>th</sup> signatory. The annual review was carried out on 13/5/2024 (Ref: 21).*

Statement of Internal Controls in place: **No**

***Recommendation:*** *To adopt a Statement of Internal Control.*

*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.*

Fidelity Cover: £1,000,000 (Internal Crime)

*The level of Fidelity cover is 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/>

*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

*2024 Annual Return, Section One Published – Yes*

*2024 Annual Return, Section Two Published – Yes*

*2024 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

Publication Date: [30/5/2024](#) Start Date: [3/6/2024](#) End Date: [12/7/2024](#)

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** council are required to display AGARs for the five years 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 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: £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.*

*Allotment fees were reviewed and an increase of 3p per square metre resolved for the 2026/2027 financial year (Ref: 22/7/2024 – 14).*

**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 2024 to September 2024 and cross referenced with vouchers and the cash book. A good referencing system is in place and all were found to be in order.*

**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. A selection of payroll records from April – September 2024 were examined and all were found to be in order. A further examination will be undertaken at the year end.*

#### **Asset control**

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

*A separate asset register is in place and a review was undertaken at the annual meeting held on 13/5/2024 (Ref: 22). Values are recorded at cost value/insurance 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 at were confirmed as:*

<i>Lloyds Business</i>	<i>xxxx2286</i>	<i>£23,305.80</i>	<i>(20/9/2024)</i>
<i>Lloyds Deposit</i>	<i>95 Day</i>	<i>£197,976.87</i>	<i>(30/9/2024)</i>
<i>Unity Trust</i>	<i>xxxx4430</i>	<i>£45,120.81</i>	<i>(30/9/2024)</i>
<i>Unity Trust</i>	<i>xxxx5851</i>	<i>£925,604.71</i>	<i>(30/9/2024)</i>

#### **Reserves**

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

*To be carried out 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.*

#### **Sole Trustee**

The Council has met its responsibilities as a trustee

*The Council is not a sole trustee.*

**Internal Audit Procedures**

*The 2024 Year End Internal Audit report was considered by the Council at a meeting held on 13/5/2024 (Ref: 27).*

*A review of the effectiveness of the Internal Audit was carried out as part of the Internal Audit tender process for the 2024/2025 financial year.*

*Heelis & Lodge were appointed as Internal Auditor at a meeting held on 13/5/2024 (Ref: 23).*

**External Audit**

*The Council formally approved the 2024 AGAR at a meeting of the full Council held on 13/5/2024 (Ref: 29 & 30).*

*The External Auditor's report was considered at a meeting held on 2/9/2024 (Ref: 85).*

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

**Additional Comments/Recommendations**

- The Annual Town Council meeting was held on 13/5/2024. The first item of business was the Election of Tow 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 documentation provided for the audit.



**Heather Heelis**  
**Heelis & Lodge**  
5 November 2024