

HEELIS&LODGE

Local Council Services • Internal Audit

Year End Internal Audit Report for Halstead 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 12 January 2023**. The following recommendations/comments have been made:

Income: £406,585 Expenditure: £335,962 Reserves: £240,123

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

Financial Regulations in place: [Yes](#)

Reviewed: [14/12/2022 \(Ref: 150\)](#)

Risk Assessment

Appropriate procedures in place for the activities of the council

Compliance with Data Protection regulations

Risk Assessment document in place: [Yes](#)

[The Risk Management Policy was reviewed at a meeting held on 13/2/2023 \(Ref: 188\).](#)

[Internal Controls were reviewed at a meeting held on 14/12/2022 \(Ref: 145.d\).](#)

Fidelity Cover: [£500,000](#)

[The level of Fidelity cover is within the recommended guidelines of year end balances plus 50% of the precept.](#)

Budgetary controls
supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £219,462 (2023-2024)

Date: 16/1/2023 (Ref: 166.d)

Precept: £212,599 (2022-2023)

Date: 10/1/2022 (Ref: 184.e)

Effective budgetary procedures are in place. The precept was agreed in full council, however the precept amount has not been 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.

Recommendation: *To ensure that the precept amount is clearly minuted when the precept is set.*

Income controls

Precept and other income, including credit control mechanisms

All were found to be in order. Income controls were checked and income received and banked cross referenced with the Cash Book and bank statements.

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/SH110

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 Essex LGPS.

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 £1,668,765. 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:

Nationwide	xxxx3373	£35,000.00	
Barclays Business	xxxx7870	£83,250.18	y
Barclays Community	xxxx4545	CLOSED	(4/7/2022)
Barclays BP	xxxx4419	£nil	
Barclays Active Saver	xxxx8528	£nil	
Lloyds Current	xxxx4168	£98,408.79	
CCLA Instant Access	xxxx80001PC	£45,860.14	
Lloyds Clerk Account	xxxx5762	£885.39	
Barclays Charity Account	xxxx2588	£165.20	(15/7/2022)

It is noted that the Barclays account xxxx2588 has been classed as a Tomb account. There have been no transactions for a number of years. The Council receive an annual statement in July. The funds do not appear in the Council's accounts.

Recommendation: *To review the account. It may be that these funds need to be included in the 2023 year end accounts.*

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 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.

Internal Audit Procedures

The 2022-2023 Interim Internal Audit report was considered by the Council at a meeting held on 13/2/2023 (Ref: 190).

External Audit

There is no evidence that the External Auditor's report was formally considered at a meeting.

Reminder: *To ensure the External Auditor's report is formally considered at a meeting.*

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



Heather Heelis
Heelis & Lodge
16 May 2023

HEELIS&LODGE

Local Council Services • Internal Audit

www.heelisandlodge.co.uk

INVOICE

To:

Halstead Town Council
Queens Hall,
Chipping Hill,
Halstead, Essex,
CO9 2BY.

Invoice No: HL9332

Date: 16 May 2023

Details	Quantity	Amount (£)	Total (£)
To carry out Year End Internal Audit for Halstead Town Council for the year ended 31 March 2023	1	250.00	250.00
Total			250.00

Please make cheques payable to: Heelis & Lodge

Bank Details: Account 02539349 Sort Code 72-00-00

Terms – 14 days

Thank you.

HEELIS&LODGE

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