Halstead Town Council

Present:
Councillor G Warren
Councillor G MacAndrews

Date: 28 November 2024

Internal Controls Review2024

Please note the following report on the internal controls has been completed on the basis of inquiry and discussion. This report is to provide insight into the design and implementation of the current controls, rather than operating effectiveness of the controls. Consequently, no formal testing of any controls has been completed. If such comfort is required to be sought in this area, further work will need to be undertaken.

The Halstead Town Council (HTC) offices were visited by Councillors G Warren and G MacAndrews on the 28 November 2024. Both the Town Clerk (Sarah Greatorex) and the bookkeeper Wendy Ogilvie were present and available for interview during this time.

The Annual Governance and Accountability guidelines were used as the basis for our work, with a focus to discuss all elements of internal control such as:

1. Income
2. Expenditure
3. Payroll
4. Financial reporting.
5. IT/Computer systems

Councillors will be aware that the new accounting software, “Rialtas” is now operational, and both the Town Clerk and Mrs Ogilvie have received training in its use, but there are still issues that need to be resolved with Rialtas to discuss the most effective management. Where the system is unable to provide the information we need, or could simply be designed better, it is suggested that feedback be provided to Rialtas for their thoughts. Council should note that the guidelines suggest continuation training is essential for “Those with direct responsibility for money”.

In each of the areas above a walkthrough was discussed to see and review these areas. A template for documenting these systems was provided but has not been completed. A draft version was updated during this meeting, however it is suggested that an updated version be completed and retained for the Council permanent files and be updated annually. Where questions or concerns arise, these were discussed, and the following points and recommendations should be noted:

Matter of Concern	What could go wrong	Recommendation
Invoices are raised outside of the Riatas: Invoices are raised in Word for such services as hall rental (sequential) and allotments (non-sequential).	Invoices could be raised with incorrect amounts, bank account details either in error or fraudulently and would not be identified.	All invoicing is raised through Rialtas whereby the bank details & customers would be restricted and differences with amounts would be identified through bank reconciling.
Unsecured Cash held on site.	Cash could be stolen and increased to staff working if cash is known to be held on site for a significant time.	Secure measures, such as purchase or repair of a safe be made to hold all levels of cash.
No approval by council of overtime payments made to staff.	Unapproved payments made to staff individuals could be made.	An implementation of an overtime procedure, whereby overtime can be summarised and presented to full council for approval with all other payments.
Record of insured amounts is not held on the fixed asset register.	Current value of fixed are unknown and could be insured at an amount lower than there replacement value.	Full asset verification should be completed with all assets above £2k having their current insured value noted. All assets individually under £200 should be removed from the register.