Interim Internal Audit Report for Halstead 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. LGAs137 is not used as the Council have adopted the General Power of Competence. VAT payments are tracked and identified within the accounts. Payments are listed and presented to full Council meetings. Supporting financial information is well presented providing a clear audit trail.

It is noted that the Council us the Rialtas accounting package.

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: 12/2/2024 (Ref: 179)
Financial Regulations in place: Yes
Reviewed: 15/7/2024 (Ref: 035.i) and 11/12/2024 (Ref: 24/125)

VAT reclaimed during the year: Yes
Registered: Yes Reg: 466076234

Submission Period:	Amount:
01/07/2024-30/09/2024	*(£1,314.45)*
01/10/2024-31/12/2024	*(£3,253.82)*

A further examination will take place at the year end.

General Power of Competence: Yes
Adopted: Yes (adopted 15/2/2021 – item 221)
Reaffirmed: 13/5/2024 – (item 004)

Policy Review Schedule in place: Yes

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There were no tenders during the year to date that exceeded the £30,000 Public Contract Regulations threshold.

The Council reviewed the following documents during the year:

15/4/2024
Subject Access Requests Policy – (Ref: 220)
Data Protection Policy – (Ref: 221)

17/6/2024
Investment Strategy – (Ref: 020.g)
Members Protocol – (Ref: 023)

16/9/2024
Code of Conduct – (Ref: 24/71)
Disciplinary Procedure – (Ref: 24/72)
Grievance Procedure – (Ref: 24/73)
Publication Scheme – (Ref: 24/74)
Training and Development Policy – (Ref: 24/75)

14/10/2024
Health and Safety Policy – (Ref: 24/89)
Biodiversity Policy – (Ref: 24/91)

11/12/2024
Grant Awarding Policy – (Ref: 24/126)
Whistleblowing Policy – (Ref: 24/129)

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: (Reg: Z2078738)

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 published: Yes
Link: https://www.halsteadtowncouncil.org.uk/site/wp-content/uploads/2024/04/GDPR-privacy-policy-2024.pdf

Insurance was in place for the year of audit (1/4/2024-31/3/2025). The Council have a suite of Risk Assessments covering their activities. These were reviewed at a meeting held on 16/9/2024 (Ref: 24/69). The Council appointed a councillor to carry out internal control at a meeting held on 14/10/2024 (Ref: 24/85.f). The Internal Controls review took place on 28/11/2024 with an outcome of 4 recommendations:

1) *To carry out all invoicing through the Rialtas accounting software – it is noted that the addition of the allotment and bookings packages to Rialtas will resolve this.*

2) *To purchase a new safe or repair the existing safe to ensure that there are secure measures in place for holding cash – a quote for repairing the safe has been obtained. This recommendation should be actioned as a priority.*

3) *Implementation of an overtime procedure – it is noted that it is normal practice for the Clerk to have delegated authority to authorise overtime up to a certain amount.*

4) *To include insured values in the asset register for assets above £2,000 and individual assets with a value less than £200 be removed – this is normal practice amongst councils.*

The Council have good 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: £500,000

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.halsteadtowncouncil.org.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 – No

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: 18/6/2024 Start Date: 19/6/2024 End Date: 30/7/2024

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 yet to meet the publication requirements.

Recommendation: *To publish the audited 2023-2024 AGAR, including the External Auditor's opinion (Section 3) on the Council's website.*

Budgetary controls supporting documents

Verifying the budgetary process with reference to council minutes and

Precept:	£247,051 (2025-2026)	Date:	11/12/2024 (Ref: 24/120.d)
Precept:	Not minuted (2024-2025)	Date:	15/1/2024 (Ref: 159.d)

Effective budgetary procedures are in place. The precept for 2025-2026 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

A sample of income controls on cash deposits, PDQ and car park were examined and all were found to be in order.

Parking charges were reviewed at a meeting held on 11/12/2024 (Ref: 24/120.d). It was resolved to not increase the charges.

Petty Cash	Associated books and established system in place *A satisfactory expenses system is in place with supporting paperwork. No Petty Cash held.*
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/SH110 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. Eligible employees have joined the nominated pension scheme. A further examination will take place at the year end.* *It is noted that the Council undertook a review of salaries at a meeting held on 11/11/2024 (Ref: 24/100.c), where the 2024/2025 pay award was agreed.*
Asset control	Inspection of asset register and checks on existence of assets Cross checking on insurance cover *A separate asset register is in place. A review was undertaken on the 17/6/2024 (Ref: 020.a). An examination will take place at the year end to confirm 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 were confirmed as:*

Nationwide	*xxxx3373*	*£35,000.00*	*31/3/2024*
Barclays Business	*xxxx7870*	*£124,531.10*	*14/1/2025*
Lloyds Current	*xxxx4168*	*£101,147.91*	*10/1/2025*
CCLA Instant Access	*xxxx8870*	*£90,575.32*	*30/11/2024*
Lloyds Clerk Account	*xxxx5762*	*£1,310.12*	*8/1/2025*

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. An Investment Strategy was adopted at a meeting held on 17/6/2024 (Ref: 020.g). A Reserves Policy is in place. 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.*
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 Internal Audit report was considered by the Council at a meeting held on 13/5/2024 (Ref: 013.c).*
External Audit	*The Council formally approved the 2024 AGAR at a meeting of the full Council held on 17/6/2024 (Ref: 020.b & 020.c).* *The External Auditor's report was considered at a meeting held on16/9/2024 (Ref: 24/66.c).* *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 Chairman, 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 the documentation provided for the audit.

Heather Heelis
Heelis & Lodge
20 January 2025

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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: HL9529	
Date: 20 January 2025	

Details	Quantity	Amount (£)	Total (£)
To carry out Interim Internal Audit for Halstead Town Council for the year ended 31 March 2025	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 – 30 days

Thank you.

HEELIS&LODGE

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