

HEELIS&LODGE

Local Council Services • Internal Audit

Interim Internal Audit Report for North Walsham Parish Town Council – 2023/2024

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 2023. 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 year end accounts.

VAT payments are tracked and identified within the accounts.

The Council hold the General Power of Competence and LGAs137 does not apply.

The cashbook is referenced providing a clear audit trail. Supporting paperwork is in place and well referenced.

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: 21/5/2024 (Ref: 12.1)

Financial Regulations in place: Yes

Reviewed: 17/6/2024 (Ref: 8)

Terms of Reference are reviewed by each committee (Ref: 21/5/2024 – item 11) as follows:

- *Personnel*
- *Finance & Grants*
- *Development & Amenities*
- *Markets*
- *Media & Information*
- *Mayor & Deputy Mayor*

A Scheme of Delegation is in place and was last reviewed at the Annual Town Council meeting held on 21/5/2024 (Ref: 12.3).

The following documents were reviewed and approved during the year of audit:

Annual Town Council meeting held on 21/5/2024 (Ref: 12.4-9):

- *Code of Conduct*
- *Co-option Policy*
- *Communication Protocol*
- *Complaints Procedure*
- *FOI Publication Scheme*
- *Planning Procedure*

GDPR Policies

- *CCTV Policy*
- *Information Audit*
- *Retention & Disposal*
- *General Privacy Statement*
- *GDPR Policy*

It is noted that committees hold responsibility for reviewing the policies relating to their activities.

- *Finance & Grants Terms of Reference – 17/6/2024 (Ref: 8)*

VAT reclaimed during the year: **Yes**

Registered: **Yes** Reg:

Submission Period: Amount:

1/4/2024 – 30/6/2024 £837.02

General Power of Competence: **Yes**

Policy Review Schedule in place: **Yes**

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: **Z8869674**

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 a suite of GDPR documents.

Privacy Policy published: *Yes*

Link: <https://nwtc.org.uk/wp-content/uploads/2024/06/General-Privacy-Statement-2024-1.pdf>

Insurance was in place for the year of audit. The Risk Assessment was reviewed at a meeting held on 17/6/2024 (Ref: 8).

Statement of Internal Controls in place: *No*

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

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.

It is noted that the Council appointed an Internal Scrutineer at a meeting of the Finance & Grants Committee held on 17/6/2024 (Ref: 3). Bank signatories were also reviewed and approved at this meeting.

Fidelity Cover: £250,000

The level of Fidelity cover is below the recommended guidelines of year end balances plus 50% of the precept (£455,058 + £215,365 = £670,423).

Recommendation: *To review the level of Fidelity cover.*

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://nwtc.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 – Not yet received

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: 14/6/2024

Start Date: 17/6/2024

End Date: 26/7/2024

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 not met the publication requirements.

Recommendation: *The Council should publish the signed AGARS for the year 2019-2020 and the audited AGAR for 2023-24, when received.*

Budgetary controls supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £428,320 (2023-2024) Taken from 2024 AGAR

Date: 29/11/2022 (Ref: 7.3)

Precept: £430,730 (2024-2025)

Date: 19/12/2023 (Ref: 6.4)

Satisfactory budgetary procedures are in place. The precept decision and amount have not been minuted for the 2023-2024 or 2024-2025 precept setting. The Council should ensure that the precept decision and amount are 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.

Recommendation: *To ensure that the precept decision and amount are minuted.*

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 2024 to June 2024 and cross referenced with vouchers and the cash book. Petty Cash Limit £250 (Financial Regulation No.10).

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: **531/N3004**
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 nominated pension scheme. A further examination will take place at the year end.

Asset control

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

To be carried out 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 31 July were confirmed as:

<i>CCLA</i>		<i>£nil</i>
<i>Redwood Savings</i>		<i>£85,000.00</i>
<i>Unity Trust</i>		<i>£nil</i>
<i>NatWest Business Reserve</i>	<i>xxxx6829</i>	<i>£435,459.76</i>
<i>NatWest Current</i>	<i>xxxx6819</i>	<i>£50,000.00</i>

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Heather Heelis Dip HE Local Policy FILCM
Lynne Lodge Dip HE Local Policy

Reserves

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

The Council have generous general reserves (£390,092.68) and have identified earmarked reserves of £144,390.49 in their accounts.

Given the level of general reserves, the Council may benefit from adopting a Reserves Policy.

Recommendation: *To adopt a Reserves Policy.*

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 a Trustee of the War Memorial Park Charity.

Charity Number: 304023

The last annual submission of the accounts was 10/1/2023. It is noted that the Charity have not met their responsibility in submitting the 2022-2023 accounts by the required deadline. These are overdue by 225 days. The last recorded Charity accounts were for the year 2021-2022 (Income £8,772 and Expenditure £8,772). Any underspend is met by a contribution from the Town Council.

The Charity accounts are currently held within the Town Council accounts. Charity accounts should be held in a separate bank account under the Charity name and not included in the Town Council's accounts or AGAR.

There was no evidence in the 2022 accounts that the Charity hold public liability insurance for any property/land that they may own. The Council/Charity should clarify the ownership of any land/property.

Recommendation: *The Council should consider the following:*

- *Separate the Charity accounts from the Town Council's accounts.*
- *Set up a separate bank account.*
- *Exclude the Charity accounts from the AGAR. It is advisable that advice is sought from the External Auditor if the figures should be amended for the 2023-2024 AGAR or restated in the 2024-2025 AGAR.*
- *Arrange for the COIF interest, pavilion rent and any other income to the Charity to be paid into the new bank account.*

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- Clarify the legal ownership of any land/property.
- Obtain Public Liability insurance for the Charity, as a minimum requirement if any land or property falls under their ownership.

Internal Audit Procedures

The 2023-2024 Internal Audit report was considered by the Council at a meeting held on 21/5/2024 (Ref: 13.9).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 30/4/2024 (Ref: 11.4.b).

External Audit

The Council formally approved the 2024 AGAR at a meeting of the full Council held on 21/5/2024 (Ref: 13.8.2). It is noted that the signed, hard copy minutes of this meeting are missing pages 5 & 6.

The External Auditor's report has not yet been received. This will be examined at the year end.

Additional Comments/Recommendations

- The Annual Town Council meeting was held on 21/5/2024. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- It is a requirement that minutes kept in a loose-leaf format should be consecutively numbered ie 1-100+ either by page number or minute item number.

Recommendation: To consecutively number minutes kept in a loose-leaf format.

- 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 presented for the audit.



Heather Heelis
Heelis & Lodge
 12 September 2024

HEELIS&LODGE

Local Council Services • Internal Audit

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INVOICE

To:

North Walsham Town Council
Office 4
Cedar House
New Rd
North Walsham
Norfolk
NR28 9DE

Invoice No: HL9509

Date: 12 September 2024

Details	Quantity	Amount (£)	Total (£)
To carry out Interim Internal Audit for North Walsham Town Council for the year ended 31 March 2025	1	370.00	370.00
Total			370.00

Please make cheques payable to: Heelis & Lodge

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

Terms – 14 days

Thank you.

HEELIS&LODGE

Contact details : 1 Hembling Terrace, Mill Lane, Suffolk, IP13 0PP

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HEELIS&LODGE

Local Council Services • Internal Audit

Year End Internal Audit Report for North Walsham 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 2025 and should be read in conjunction with the Interim Internal Audit Report dated 12/9/2024. The following recommendations/comments have been made:

Income: £541,339 Expenditure: £519,590 Reserves: £468,164

2025 AGAR Completion:

Section One: [Not yet completed](#)

Section Two: [Yes \(draft figures\) – to be approved by council](#)

Annual Internal Audit Report 2024/2025: [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

VAT reclaimed during the year: [Yes](#)

Registered: [Yes](#)

Submission Period:

Amount:

[1/4/2024 – 30/6/2024](#)

[£837.02](#)

[1/7/2024 – 30/9/2024](#)

[£7,291.68](#)

[1/10/2024 – 31/12/2024](#)

[£6,264.23](#)

[1/1/2025 – 31/3/2025](#)

[£8,584.98](#)

[There were no tenders during the year that exceeded the £30,000 Public Contract Regulations threshold.](#)

[The Council reviewed the following documents during the year:](#)

[24/10/2024](#)

- [• Reserves Policy \(Ref: 9\)](#)

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11/11/2024

- *Internal Control Policy (Ref: 5)*

3/3/2025

- *Investment Policy (Ref: 8)*

25/3/2025

- *Cultural Review (Ref: 14)*

25/2/2025

- *SLCC Staffing Review Plan (Ref: 16)*

28/2/2025

- *Health and Safety Audit (11)*
- *Finance Audit Plan (12.1)*
- *DDA Audits (Ref: 16)*

29/10/2024

- *Reserves Policy (Ref: 10.1)*
- *Staff Handbook (Ref: 10.2)*
- *Staff Contracts (Ref: 10.2)*
- *Absence Policy (Ref: 10.2)*
- *Mobile Phone Policy (Ref: 10.2)*

Risk Assessment

Appropriate procedures in place for the activities of the council
Compliance with Data Protection regulations

It is noted that the Council resolved to adopt a Statement of Internal Control at the meeting held on 24/9/2024 (Ref: 12) following the recommendation in the Interim Internal Audit report.

The Council commissioned a Financial Audit (Ref: 9/12/2024 – 4). The report covers a wider remit than the Internal Audit and raises a number of matters that require improvement and better practice. As a result the Council have produced an Action Plan (Ref: 7/1/2025 – 5), which they are working through, to address the weaknesses found in the report. The Council have made significant progress on the matters arising from the report, and the Year End Internal Audit report covers some of the actions taken since receipt of the Financial Audit report.

The Council have introduced a quarterly internal audit checklist, which is carried out by councillors (Ref: 3/3/2025 – 9).

It is noted that the Council have resolved to increase the level of Fidelity cover to the recommended guidelines of year end balances plus 50% of the precept (Ref: 24/9/2024 – 12).

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://nwtc.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 – 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: **14/6/2024**

Start Date: **17/6/2024**

End Date: **26/7/2024**

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: £N/K (2025-2026) Date: 26/11/2024 (Ref: 8.5)

Precept: £430,730 (2024-2025) Date: 19/12/2023 (Ref: 6.4)

Satisfactory budgetary procedures are in place. The precept was agreed in full council, however, the precept decision and 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 decision and amount are minuted.*

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: **531/N3004**
P60s issued: **Yes**

The Council continue to operate RTI in accordance with HMRC regulations. The Council resolved to outsource payroll and pensions to the Norfolk ALC at a meeting held on 28/1/2025 (Ref: 12.2 and 12.3). 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. It is noted that the Council will be commissioning a pensions audit as a result of the Financial Review report (Ref: 3/3/2025 – 6).

The Council considered the SLCC Staffing Review Plan at a meeting held on 25/2/2025 (Ref: 16).

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 £1,935,086. 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:

<i>CCLA PSDF</i>	<i>xxxx7899</i>	<i>£185,000.00</i>
<i>Redwood Savings</i>	<i>xxxx0720</i>	<i>£85,000.00</i>
<i>Unity Trust Current</i>	<i>xxxx0567</i>	<i>£9,859.30</i>
<i>Unity Trust Instant Access</i>	<i>xxxx8301</i>	<i>£187,902.48</i>
<i>Unity Trust Wages</i>	<i>xxxx5957</i>	<i>£492.35</i>
<i>NatWest Business Reserve</i>	<i>xxxx6829</i>	<i>£nil</i>
<i>NatWest Current</i>	<i>xxxx6819</i>	<i>£nil</i>

The Council had no outstanding loans at the year end.

Reserves

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

The Council have adequate general reserves (£272,809) and have identified earmarked reserves of £203,940 in their year end accounts. The Council have adopted a Reserves Policy.

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.

Local Council Tax Support Grant is excluded from Box 2: **N/A**
Balance Sheet is correct: **Yes**
Trial Balance is correct: **Yes**

Internal Audit Procedures

The 2024-2025 Interim Internal Audit report was considered by the Council at a meeting held on 0/9/2024 (Ref: 5). The Council considered the recommendations contained within the report and resolved to accept them all.

External Audit

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

Recommendation: *To review the External Auditor's report (Section 3 of the 2024 AGAR) at the next meeting of the Council.*

The following matters were brought to the attention of the Council:

Other matters not affecting our opinion which we draw to the attention of the authority:
--

The smaller authority has confirmed that it has not complied with the governance Assertion in Section 1, Box 9, and it has provided the appointed auditor with an adequate explanation for non-compliance and details of the actions necessary to address weaknesses identified.
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Additional Comments/Recommendations

- The Council are intended to continue binding the minutes, in which case minutes do not need consecutively numbering. If minutes are to remain in a loose-leaf format it is a requirement that minutes should be consecutively and continually numbered either by page number or by minute item. It is noted that agenda packs containing supporting information to the agenda are published on the Council's website, along with the minutes, and retained on the Clerk's computer, which is backed up.
- 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.



Heather Heelis
Heelis & Lodge
5 June 2025

HEELIS&LODGE

Local Council Services • Internal Audit

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INVOICE

To:

North Walsham Town Council
Office 4
Cedar House
New Rd
North Walsham
Norfolk
NR28 9DE

Invoice No: HL9609

Date: 5 June 2025

Details	Quantity	Amount (£)	Total (£)
To carry out Year End Internal Audit for North Walsham Town Council for the year ended 31 March 2025	1	370.00	370.00
Total			370.00

Please make cheques payable to: Heelis & Lodge

Bank Details: Account 02539349 **Sort Code 09-01-50**

NB Change to bank account details

Terms – 14 days

Thank you.

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