

# Annual Internal Audit Report 2022/23

HOLT TOWN COUNCIL

www.holttowncouncil.org

**During** the financial year ended 31 March 2023, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2022/23 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

| Internal control objective                                                                                                                                                                                                                                                                                                                                           | Yes | No* | Not covered**  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|----------------|
| A. Appropriate accounting records have been properly kept throughout the financial year.                                                                                                                                                                                                                                                                             | ✓   |     |                |
| B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.                                                                                                                                                                                                | ✓   |     |                |
| C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.                                                                                                                                                                                                                              | ✓   |     |                |
| D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.                                                                                                                                                                                                 | ✓   |     |                |
| E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.                                                                                                                                                                                                                      | ✓   |     |                |
| F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.                                                                                                                                                                                                                             | ✓   |     |                |
| G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.                                                                                                                                                                                                      | ✓   |     |                |
| H. Asset and investments registers were complete and accurate and properly maintained.                                                                                                                                                                                                                                                                               | ✓   |     |                |
| I. Periodic bank account reconciliations were properly carried out during the year.                                                                                                                                                                                                                                                                                  | ✓   |     |                |
| J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.                                                         | ✓   |     |                |
| K. If the authority certified itself as exempt from a limited assurance review in 2021/22, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")</i>                                                                                                       |     |     | ✓              |
| L. The authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with the relevant legislation.                                                                                                                                                                                                   | ✓   |     |                |
| M. In the year covered by this AGAR, the authority correctly provided for a period for the exercise of public rights as required by the Accounts and Audit Regulations <i>(during the 2022-23 AGAR period, were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and/or authority approved minutes confirming the dates set)</i> . | ✓   |     |                |
| N. The authority has complied with the publication requirements for 2021/22 AGAR <i>(see AGAR Page 1 Guidance Notes)</i> .                                                                                                                                                                                                                                           | ✓   |     |                |
| <b>O. (For local councils only)</b>                                                                                                                                                                                                                                                                                                                                  | Yes | No  | Not applicable |
| Trust funds (including charitable) – The council met its responsibilities as a trustee.                                                                                                                                                                                                                                                                              |     |     | ✓              |

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

06/01/2022 to 09/01/2023

Name of person who carried out the internal audit

DAVID WRIGHT

Signature of person who carried out the internal audit

DS Wright

Date

09/01/2023

**\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).**

**\*\*Note:** If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).



## Section 1 – Annual Governance Statement 2022/23

We acknowledge as the members of:

HOLT TOWN COUNCIL

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2023, that:

|                                                                                                                                                                                                                                                                                                 | Agreed |     | Yes | No* | Yes' means that this authority:                                                                                                                                                         |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|-----|-----|-----|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                 | Yes    | No* |     |     |                                                                                                                                                                                         |
| 1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.                                                                                                                                                  | ✓      |     |     |     | prepared its accounting statements in accordance with the Accounts and Audit Regulations.                                                                                               |
| 2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.                                                                                                                                  | ✓      |     |     |     | made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.                                                                     |
| 3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances. | ✓      |     |     |     | has only done what it has the legal power to do and has complied with Proper Practices in doing so.                                                                                     |
| 4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.                                                                                                                               | ✓      |     |     |     | during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.                                                               |
| 5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.                                                                            | ✓      |     |     |     | considered and documented the financial and other risks it faces and dealt with them properly.                                                                                          |
| 6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.                                                                                                                                                          | ✓      |     |     |     | arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority. |
| 7. We took appropriate action on all matters raised in reports from internal and external audit.                                                                                                                                                                                                | ✓      |     |     |     | responded to matters brought to its attention by internal and external audit.                                                                                                           |
| 8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.                                  | ✓      |     |     |     | disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.                                           |
| 9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.                         | Yes    | No  | N/A |     | has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.                                                               |
|                                                                                                                                                                                                                                                                                                 |        |     |     | ✓   |                                                                                                                                                                                         |

**\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.**

This Annual Governance Statement was approved at a meeting of the authority on:

15/05/2023

and recorded as minute reference:

14.2

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

Sarah Treibe

Clerk

EManson

[www.holttowncouncil.org](http://www.holttowncouncil.org)



## Section 2 – Accounting Statements 2022/23 for

### HOLT TOWN COUNCIL

|                                                             | Year ending           |                       | Notes and guidance                                                                                                                                                                                      |
|-------------------------------------------------------------|-----------------------|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             | 31 March<br>2022<br>£ | 31 March<br>2023<br>£ |                                                                                                                                                                                                         |
| 1. Balances brought forward                                 | 299,867               | 293,034               | Total balances and reserves at the beginning of the year as recorded in the financial records. Value must agree to Box 7 of previous year.                                                              |
| 2. (+) Precept or Rates and Levies                          | 139,272               | 147,366               | Total amount of precept (or for IDBs rates and levies) received or receivable in the year. Exclude any grants received.                                                                                 |
| 3. (+) Total other receipts                                 | 57,575                | 70,190                | Total income or receipts as recorded in the cashbook less the precept or rates/levies received (line 2). Include any grants received.                                                                   |
| 4. (-) Staff costs                                          | 73,947                | 90,789                | Total expenditure or payments made to and on behalf of all employees. Include gross salaries and wages, employers NI contributions, employers pension contributions, gratuities and severance payments. |
| 5. (-) Loan interest/capital repayments                     | 19,830                | 19,741                | Total expenditure or payments of capital and interest made during the year on the authority's borrowings (if any).                                                                                      |
| 6. (-) All other payments                                   | 109,902               | 204,398               | Total expenditure or payments as recorded in the cash-book less staff costs (line 4) and loan interest/capital repayments (line 5).                                                                     |
| 7. (=) Balances carried forward                             | 293,034               | 195,663               | Total balances and reserves at the end of the year. Must equal (1+2+3) - (4+5+6).                                                                                                                       |
| 8. Total value of cash and short term investments           | 293,034               | 195,663               | The sum of all current and deposit bank accounts, cash holdings and short term investments held as at 31 March – <b>To agree with bank reconciliation.</b>                                              |
| 9. Total fixed assets plus long term investments and assets | 913,207               | 915,300               | The value of all the property the authority owns – it is made up of all its fixed assets and long term investments as at 31 March.                                                                      |
| 10. Total borrowings                                        | 381,732               | 371,815               | The outstanding capital balance as at 31 March of all loans from third parties (including PWLB).                                                                                                        |

| For Local Councils Only                                    | Yes | No | N/A |                                                                                                               |
|------------------------------------------------------------|-----|----|-----|---------------------------------------------------------------------------------------------------------------|
| 11a. Disclosure note re Trust funds (including charitable) |     | ✓  |     | The Council, as a body corporate, acts as sole trustee and is responsible for managing Trust funds or assets. |
| 11b. Disclosure note re Trust funds (including charitable) |     |    | ✓   | The figures in the accounting statements above do not include any Trust transactions.                         |

I certify that for the year ended 31 March 2023 the Accounting Statements in this Annual Governance and Accountability Return have been prepared on either a receipts and payments or income and expenditure basis following the guidance in Governance and Accountability for Smaller Authorities – a Practitioners' Guide to Proper Practices and present fairly the financial position of this authority.

**Signed by Responsible Financial Officer before being presented to the authority for approval**

*E. Hansen*

15/05/2023

Date

I confirm that these Accounting Statements were approved by this authority on this date:

15/05/2023

as recorded in minute reference:

14.3

Signed by Chairman of the meeting where the Accounting Statements were approved

*Sarah Tribe*

## Explanation of Variances

| Box No.<br>&Description        | Year Ending 31 <sup>st</sup><br>March 2022 | Year Ending<br>31 <sup>st</sup> March<br>2023 | Explanation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|--------------------------------|--------------------------------------------|-----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Balances Brought Forward    | 299,867                                    | 293,034                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 2. Precept                     | 139,272                                    | 147,366                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| 3. <b>Total Other Receipts</b> | <b>57,575</b>                              | <b>70,190</b>                                 | Grant Funding Received this year<br>17/05/22 - £1263 Grant from NNDC from the Art and Culture Fund for Fairy Doors Project<br>05/08/22 - £2,200 Neighbourhood Plan Grant to facilitate getting the plan to referendum.<br>21/12/22 - £10,000 Grant from NNDC from their Sustainable Communities Fund to refurb the HTC Public Toilets.<br>24/03/23 - £650 National Lottery Funding for the Coronation Celebrations.<br>These grants were in addition to the annual receipts for Car Parking and the burials at the cemetery. |
| 4. <b>Staff Costs</b>          | <b>73,947</b>                              | <b>90,789</b>                                 | The Maintenance Team (3 members) in 21-22 cost £26,968 whereas this year 22-23 they cost £33,046 an increase of <b>£6078</b> . This is due to a small increase in their hours from 20 hours per week to 22.5 hours, a pay review (NJC Nationwide) and some overtime to cover events and sickness.                                                                                                                                                                                                                            |

|                                             |                |                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|---------------------------------------------|----------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                             |                |                | <p>This year a staff member joined the Norfolk Pension Scheme. Pension costs this year were £13,772 compared to £10664 last year. <b>This is a difference of £3108 extra this year.</b></p> <p>The admin support salary last year was £4232, and this year was £7925 due to an increase in hours to 12 per week and overtime, and a small increase in salary (NJC). <b>This is a difference of £3693.</b></p> <p>The Town Clerk salary last year was £19707, and this year was £23,342 a difference of <b>£3635</b> due to NJC pay review. <b>This is a total difference of £ 16,514</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| 5. Loan interest/<br>capital<br>repayments. | 19,830         | 19,741         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| 6. <b>Total Other<br/>Payments</b>          | <b>109,902</b> | <b>204,398</b> | <p>HTC have successfully delivered on a number of projects this year which were previously delayed due to Covid. These are over and above the daily expenditure of the Council.</p> <ol style="list-style-type: none"> <li>1. Holt Vision - <b>£16,800</b> on consultants and feasibility studies for increasing public realm space/ better parking in town. S106 Money.</li> <li>2. Fish Hill Public Realm Project - <b>£35,475</b> (Using Market Town Initiative Grant received in 2019).</li> <li>3. New Gym Park - <b>£3395</b> installing some second-hand gym equipment in town. (Using S106 money for play equipment)</li> <li>4. Holt Neighbourhood Plan - <b>£3500</b> – Getting the plan to Referendum. (Grant Funded)</li> <li>5. Car Park re-surfacing - <b>£7000</b> - resurfacing the Letheringsett Car Park.</li> <li>6. Fairy Doors Project cost <b>£1771</b> (Using Grant Money)</li> <li>7. Nelson House – Repainting <b>£4878</b></li> <li>8. Events – namely the Jubilee celebrations cost <b>£20817</b>, (£12000 was creating some memorial slates in the middle of</li> </ol> |



|                                                             |                |                |                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------|----------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                             |                |                | <p>town, a lasting memorial for the late Queen). (Donations £5356 were received from local businesses).</p> <p>9. Insurance last year was £2,213 and this year was £6845 a difference of <b>£4632</b>. The rise was national and not Holt Specific.</p> <p><b>TOTAL COST - £98,268 of which £64,526 was grant funding, £106 or donations.</b></p> |
| <b>7. Balances Carried Forward</b>                          | <b>293,034</b> | <b>195,663</b> | HTC this year has spent Grant Money (previously received, in some cases as early as 2019) and has delivered several projects which has span covid. (See above for breakdown).                                                                                                                                                                     |
| 8. Total Value of Cash and Short-Term Investments           | 293,034        | 195,663        |                                                                                                                                                                                                                                                                                                                                                   |
| 9. Total Fixed Assets plus Long Term Investments and Assets | 913,207        | 915,300        |                                                                                                                                                                                                                                                                                                                                                   |
| 10. Total Borrowings                                        | 352074         | 371815         |                                                                                                                                                                                                                                                                                                                                                   |

## Section 3 – External Auditor’s Report and Certificate 2022/23

In respect of

HOLT TOWN COUNCIL

### 1 Respective responsibilities of the auditor and the authority

Our responsibility as auditors to complete a **limited assurance review** is set out by the National Audit Office (NAO). A limited assurance review is **not a full statutory audit**, it does not constitute an audit carried out in accordance with International Standards on Auditing (UK & Ireland) and hence it **does not** provide the same level of assurance that such an audit would. The UK Government has determined that a lower level of assurance than that provided by a full statutory audit is appropriate for those local public bodies with the lowest levels of spending.

Under a limited assurance review, the auditor is responsible for reviewing Sections 1 and 2 of the Annual Governance and Accountability Return in accordance with NAO Auditor Guidance Note 02 (AGN 02) as issued by the NAO on behalf of the Comptroller and Auditor General. AGN 02 is available from the NAO website – <https://www.nao.org.uk/code-audit-practice/guidance-and-information-for-auditors/>.

This authority is responsible for ensuring that its financial management is adequate and effective and that it has a sound system of internal control. The authority prepares an Annual Governance and Accountability Return in accordance with *Proper Practices* which:

- summarises the accounting records for the year ended 31 March 2023; and
- confirms and provides assurance on those matters that are relevant to our duties and responsibilities as external auditors.

### 2 External auditor’s limited assurance opinion 2022/23

(Except for the matters reported below)\* on the basis of our review of Sections 1 and 2 of the Annual Governance and Accountability Return, in our opinion the information in Sections 1 and 2 of the Annual Governance and Accountability Return is in accordance with Proper Practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met. (\*delete as appropriate).

(continue on a separate sheet if required)

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

(continue on a separate sheet if required)

### 3 External auditor certificate 2022/23

We certify/do not certify\* that we have completed our review of Sections 1 and 2 of the Annual Governance and Accountability Return, and discharged our responsibilities under the Local Audit and Accountability Act 2014, for the year ended 31 March 2023.

\*We do not certify completion because:

External Auditor Name

External Auditor Signature

Date

## Holt Town Council

Prepared by: \_\_\_\_\_  
*Name and Role (Clerk/RFO etc)*

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_  
*Name and Role (RFO/Chair of Finance etc)*

Date: \_\_\_\_\_

|          |                                                     |            |                   |
|----------|-----------------------------------------------------|------------|-------------------|
| <b>A</b> | <b>Bank Reconciliation at 31/03/2023</b>            |            |                   |
|          | Cash in Hand 01/04/2022                             |            | 293,034.10        |
|          | <b>ADD</b><br>Receipts 01/04/2022 - 31/03/2023      |            | 217,556.39        |
|          | <b>SUBTRACT</b><br>Payments 01/04/2022 - 31/03/2023 |            | 510,590.49        |
|          |                                                     |            | 314,927.94        |
|          | <b>Cash in Hand 31/03/2023</b><br>(per Cash Book)   |            | <b>195,662.55</b> |
| <b>B</b> | Cash in hand per Bank Statements                    |            |                   |
|          | Petty Cash 31/03/2023                               | 0.00       |                   |
|          | Barclays Business Saver Account 31/03/2023          | 13,455.82  |                   |
|          | Barclays Business Tracker Account 31/03/2023        | 34,430.95  |                   |
|          | Barclays Community Account 31/03/2023               | 165,625.46 |                   |
|          |                                                     |            | <b>213,512.23</b> |
|          | Less unrepresented payments                         |            | 17,926.88         |
|          |                                                     |            | 195,585.35        |
|          | Plus unrepresented receipts                         |            | 77.20             |
|          | <b>Adjusted Bank Balance</b>                        |            | <b>195,662.55</b> |
|          | <b>A = B Checks out OK</b>                          |            |                   |