

# HEELIS & LODGE

Local Council Services • Internal Audit

## **Year End Internal Audit Report for Haverhill Town Council – 2013/14**

Income: £1,190,031

Expenditure: £1,088,195

Reserves: £1,109,306

### Annual Return Completion:

Section One: Yes - unsigned

Section Two: Yes - unsigned

Section Four: Yes

The following Internal Audit was carried out on the adequacy of systems of control and should be read in conjunction with the Interim Audit report dated 1 November 2013. 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. There has been no significant change in accounting procedures since the Interim Audit.*

**Financial regulations** General Power of Competence: Yes

*An annual review of the General Power of Competence is not required. SALC have been advised of this and they have amended their training accordingly.*

*Financial Regulations and Standing Orders in place. Both documents were reviewed on 24/9/2013, however, there has been changes in legislation with the repeal of LGAs150 and Financial Regulations should be reviewed again and amended accordingly. An updated model document is available from SALC.*

**Recommendation:** *To review Financial Regulations in light of the change in legislation and repeal of s150.*

**Risk Assessment** Appropriate procedures in place for the activities of the council

Risk Assessment document in place: Yes

*Insurance was in place for the year of audit. An insurance review was undertaken on 10/12/2013 achieving savings for the Council. The Risk Assessment was reviewed on 28/1/2014. All was in order.*

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Lynne Lodge Dip HE Local Policy

Fidelity Cover: £1,985,000 plus waggeroll £436,544

*The level of Fidelity cover is within the recommended guidelines of year end balances plus 50% of the precept and is in line with Financial Regs: 15.5.*

## **Budgetary controls**

Verifying the budgetary process with reference to council minutes and supporting documents

Precept: £774,254 (2014-2015)

Date: 18/2/2014

Precept: £746,212 (2013-2014)

Date: 26/2/2013

*Good budgetary procedures are in place. The precept was agreed in full council and the precept decision and amount has been clearly minuted in the 2014-2015 precept setting meeting, however, the precept setting meeting for 2013-2014 does not minute the actual precept figure. It is noted that there is a slight discrepancy between the gross precept figure in the supporting budget papers (£746,212) to which the minutes refer and the precept figure in the cash book (£746,227).*

*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 throughout the year.*

## **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

*The Council are operating RTI in accordance with HMRC regulations. Regular payments have been made to HMRC and P60s and P35 produced as part of the year end procedures. Detailed pay slips are produced.*

*A selection of salary and HMRC payments were examined across the year and all were found to be in order.*

*Financial Regs 5.3 and 5.4 indicate that there will be 2 signatories on Town Council accounts and that the signatories will initial cheque stubbs. The Payroll Account is only initialled by one signatory and a number have not been initialled by either signatory. Cheque stubb No: 000545 has not been completed with the payee.*

**Recommendation:** *To ensure that cheque stubbs are complete and that both signatories initial the cheque stubb in accordance with Financial Regulations.*

**Asset control**

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

*A separate asset register is in place. Items purchased during the year are clearly identified. Box 9 on the Annual Return has recorded the cost value of assets in accordance with Regulations.*

**Bank Reconciliation**

Regularly completed and cash books reconcile with bank statements

*All were in order. The bank statements reconciled with the end of year accounts and bank reconciliations for all 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 and Expenditure basis and were all in order. Creditors and debtors are identified within the year end accounts and LCTS grant excluded from Box 2 of the Annual Return as required.*

**Internal Audit Procedures**

*The Council have good internal financial controls in place. Cheque stubbs and invoices are initialled by signatories. The Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.*

*The Council reviewed the effectiveness of the internal audit at a meeting held on 28/1/2014.*

**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 all the staff for their assistance during the course of the audit work



**Heather Heelis**  
**Heelis & Lodge**  
6 June 2014

# HEELIS&LODGE

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[www.heelisandlodge.co.uk](http://www.heelisandlodge.co.uk)

## INVOICE

**To:**

Haverhill Town Council
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Invoice No: HL2031
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Date: 6 June 2014
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Details	Quantity	Amount (£)	Total (£)
To carry out Interim and Year End Internal Audits for Haverhill Town Council for the year ended 31 March 2014	1	500.00	500.00
Total			500.00

Please make cheques payable to: Heelis & Lodge

Terms – 30 days

Thank you.

**HEELIS&LODGE**

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