

HEELIS&LODGE

Local Council Services • Internal Audit

Internal Audit Report for Haverhill Town Council – 2014/15

Income: £1,323,474

Expenditure: £1,071,061

Reserves: £1,361,720

Annual Return Completion:

Section One: No

Section Two: No

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 Internal Audit report dated 25 October 2014. The following recommendations/comments have been made:

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

Financial Regulations and Standing Orders are in place. It is noted that the threshold for contract tendering is £60,000 (SO 18.c) and £20,000 (FR 11.3). It is suggested that both figures need to be the same.

VAT records were inspected. Quarterly returns have been made and supporting paperwork is in place to confirm the figures submitted in the returns.

Recommendation: *To align the contract tender threshold in Standing Orders and Financial Regulations.*

Risk Assessment

Appropriate procedures in place for the activities of the council

The Risk Register was reviewed by the Finance Committee on 7/4/2015. A new register has been adopted based on a template from BDO.

Internal Controls were reviewed at a meeting of the Finance Committee on 30/9/2014 (Ref: F14/018).

Contact details : Hall Farm House, Loudham Lane, Pettistree, Suffolk, IP13 0NQ

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Lynne Lodge Dip HE Local Policy

Income controls	<p>Precept and other income, including credit control mechanisms</p> <p><i>All were found to be in order. Income controls were checked and income received and banked cross referenced with the Cash Book and bank statements.</i></p>
Petty Cash	<p>Associated books and established system in place</p> <p><i>A satisfactory petty cash system is in place with supporting paperwork. A selection of transactions were examined for accuracy and cross referenced with the petty cash book. All were found to be in order.</i></p>
Payroll controls	<p>PAYE and NIC in place where necessary. Compliance with Inland Revenue procedures Records relating to contracts of employment</p> <p>PAYE System in place: Yes</p> <p><i>The Council are operating RTI in accordance with HMRC regulations. A selection of payments were examined for accuracy and all were found to be order, corresponding with the telepay sheet.</i></p>
Asset control	<p>Inspection of asset register and checks on existence of assets Cross checking on insurance cover</p> <p><i>The Asset Register was reviewed by the Finance Committee at a meeting held on 4/11/2015 (Ref: F14/028).</i></p>
Bank Reconciliation	<p>Regularly completed and cash books reconcile with bank statements</p> <p><i>All were in order. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts.</i></p> <p><i>It is noted that the Payroll account is now dormant and may be closed in the 2015-2016 financial year.</i></p>
Year-end procedures	<p>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.</p> <p><i>End of year accounts are prepared on an Income and Expenditure basis. Sample audit trails were undertaken and all were found to be in order.</i></p> <p><i>Reserves are reviewed in line with the Reserves Policy at least annually.</i></p>

**Internal Audit
Procedures**

Heelis & Lodge were appointed Internal Auditor for 2015-2020 at a meeting of the Finance Committee held on 13/1/2015 (Ref: F15/007).

The Council reviewed the effectiveness of the internal audit at a meeting of the Finance Committee held on 30/9/2014 (Ref: F14/018) and again on 13/1/2015 (Ref: F15/007) as part of the tender process.

Additional Comments/Recommendations

- It is noted that the name of the Town Hall Charity has been changed to the Haverhill Community Trust.
- There are no additional comments/recommendations to make in relation to this audit.
- As mentioned in previous reports, the commitment shown by the Town Council to the people of Haverhill is commendable. I have no doubt that the services that are provided both at the Arts Centre and in the wider community directly improve the quality of lives of the people that live and work in the town.
- I would like to record my appreciation to the Clerk to the Council for his assistance during the course of the audit work



**Heather Heelis
Heelis & Lodge**
6 May 2015

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www.heelisandlodge.co.uk

INVOICE

To:

Haverhill Town Council
Haverhill Arts Centre
High Street
Haverhill
Suffolk
CB9 8AR

Invoice No: HL3015

Date: 6 May 2015

Details	Quantity	Amount (£)	Total (£)
To carry out Interim and Year End Internal Audits for Haverhill Town Council for the year ended 31 March 2015, to carry out an Independent examination of the Town Hall Charity and Hartseats.	1	600.00	600.00
Total			600.00

Please make cheques payable to: Heelis & Lodge

Terms – 30 days

Thank you.

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