

HEELIS&LODGE

Local Council Services • Internal Audit

Year End Internal Audit Report for Haverhill Town Council – 2017/18

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 17/10/2017. The following recommendations/comments have been made:

Income: £1,583,695 Expenditure: £1,555,872 Reserves: £789,619

AGAR Completion:

Section One: **Yes - signed**

Section Two: **Yes - signed**

Annual Internal Audit Report 2017/18: **Yes**

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

The General Data Protection Regulations are changing and the new Regulations will come into force on 25 May 2018. It is likely that this will affect the way in which the Town Council handles its data. It is advised that the new Data Protection Regulations should form part of the Town Council's Risk Assessment.

The Risk Register and Internal Controls were reviewed on 19/2/2018 (Ref: C18/028). Financial Regulations were amended on 26/3/2018 (Ref: C18/044).

VAT reclaimed during the year: **Yes** Registered: **Yes**

VAT records were examined and all were found to be in order. VAT returns are submitted quarterly

Budgetary controls

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

Precept: £930,972.66 (2018-2019) Date: 29/1/2018 (Ref: C18/010)

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Good budgetary procedures are in place. The precept 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

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.

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

Payroll is outsourced. Payroll for the months of January, February and March 2018 were examined and a selection of payroll transactions were cross-referenced across supporting paperwork for accuracy and consistency. All were found to be in order.

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. The total value of assets are recorded at £709,474, corresponding to the value in Section 2, Box 9 of the AGAR. The asset and insurance register were reviewed and adopted at a meeting held on 26/3/2018 (Ref: C18/046).

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.

Bank balances were recorded at 31/3/2018 as:

<i>Current</i>	<i>£21,308.50</i>
<i>30 Day Deposit</i>	<i>£129,387.59</i>
<i>Payroll</i>	<i>£nil</i>
<i>Scottish Widows Tracker</i>	<i>£nil</i>
<i>Lloyds Treasury</i>	<i>£776,229.74</i>
<i>Cardnet</i>	<i>£nil</i>
<i>Petty cash</i>	<i>£7.18</i>
<i>One Haverhill P/ship</i>	<i>£5,683.77</i>

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 in their year end 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 & Expenditure Basis. Creditors and Debtors are identified.

Sole Trustee

The Council has met its responsibilities as a trustee

The Council is a sole trustee of the Haverhill Community Trust Charity (Reg: 288092), formerly known as the Haverhill Town Hall Charity.

A selection of transactions were examined from November 2017 – March 2018, and cross referenced with supporting paperwork and the bank statements. All were found to be in order.

As part of the audit process, the accounts for Hartseats Ltd were examined. The same processes are in place as for the Charity and the Town Council providing a clear audit trail. A selection of transactions were examined from November 2017 – March 2018 against supporting paperwork and bank statements.

Internal Audit Procedures

The Council reviewed the effectiveness of the internal audit at a meeting held on 19/2/2018 (Ref: C18/028).

The 2017-2018 Interim Internal Audit report was considered by the Council at a meeting held on 27/11/2017 (Ref: C17/160).

Heelis & Lodge were appointed Internal Auditor for the 2018-2019 financial year at a meeting held on 15/5/2018 (Ref: C18/090).

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 Clerk to the Council for her assistance during the course of the audit work



Heather Heelis
Heelis & Lodge, 17 May 2018

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