

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Haverhill 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 2024. The following recommendations/comments have been made:

Income: £2,095,228 Expenditure: £2,046,193 Reserves: £659,702

2025 AGAR Completion:

Section One: **Yes – to be approved by council**

Section Two: **Yes (draft figures) – to be approved by council**

Annual Internal Audit Report 2024/2025: **Yes**

Certificate of Exemption: **No**

Proper book-keeping Cash Book, regular reconciliation of books and bank statements. Supporting vouchers, invoices and receipts

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. It is noted that the Council will be moving from the Rialtas accounting software to Scribe for the 2025-2026 financial year.

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: **29/4/2024 (Ref: C24/054)**

Financial Regulations in place: **Yes**

Reviewed: **29/4/2024 (Ref: C24/054)**

Recommendation: *When next updating Standing Orders and Financial Regulations, which should include the recent changes to the Public Contract Regulations, to also update both documents on the Council's website..*

VAT reclaimed during the year: **Yes**
Registered: **Yes** Reg: 759 9415 72

Submission Period:	Amount:
<i>01/04/2024-30/06/2024</i>	<i>(£7,845.54)</i>
<i>01/07/2024-30/09/2024</i>	<i>(£6,764.65)</i>
<i>01/10/2024-31/12/2024</i>	<i>(£5,508.11)</i>
<i>01/01/2025-31/03/2025</i>	<i>(£2,631.25)</i>

General Power of Competence: **Yes** Adopted: 15/5/2023 (Ref: C23/073)

Policy Review Schedule in place: **Yes**

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 of audit:

24/6/2024

- Internal Audit Terms of Reference (Ref: C24/096.b.iii)*

29/7/2024

- Grants Policy (Ref: C24/111.a)*

16/12/2024

- Health & Safety Policy (Ref: C24/176)*
- Safeguarding Policy (Ref: C24/176)*

24/2/2025

- Sexual Harassment Policy (Ref: C25/026)*

25/3/2025

- Equality and Diversity (Ref: C25/040.a)*

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: Z5642015

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 included this in their Risk Assessment.

Privacy Policy published: Yes

Link: <https://haverhill-tc.gov.uk/wp-content/uploads/Policy-Privacy-2018-06.pdf>

Insurance was in place for the year of audit (valid 21/11/2024 – 20/11/2025). Separate motor insurance is in place. The Risk Register was reviewed at a meeting held on 24/6/2024 (Ref: C24/096.c.ii.4).

The Council have effective 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.

Fidelity Cover: £2,000,000

The level of Fidelity cover is within the recommended guidelines of year end balances plus 50% of the precept.

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://haverhill-tc.gov.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: 25/6/2024 Start Date: 26/6/2024 End Date: 8/8/2024

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: £1,561,364 (2025-2026) Date: 28/1/2025 (Ref: C25/011.c)
Precept: £1,445,073 (2024-2025) Date: 29/1/2024 (Ref: C24/012.b)

Effective 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.

The Precept figure for 2024-2025 corresponds with the amount received and the 2025 AGAR, Box 2.

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.

Hire fees for the Arts Centre and the Clements Community Centre were reviewed at a meeting of the Leisure and Community Committee on 4/3/2025 (Ref: LC25/024).

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 March 2025 and cross referenced with vouchers and the cash book. All were found to be in order.

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: **245/SH277**
P60s issued: **Yes**

The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. Supporting paperwork is in place and P60s have been

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produced as part of the year end process. An examination was undertaken on a sample of staff between April 2024 and March 2025.

Eligible employees have joined the nominated pension scheme. The last date of re-declaration of compliance was 8/8/2024. The next due date is 8/8/2027.

Asset control

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

A separate asset register is in place with a review being undertaken at a meeting held on 24/6/2024 (Ref: C24/096.c.ii.4). Values are recorded on a cost valuation basis. The total value of assets are recorded at £981,612. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR. The Council have corrected identified the funds held with the CCLA property account as a fixed asset.

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>Current</i>	<i>xxxx3992</i>	<i>£139,142.45</i>
<i>30 Day Deposit</i>	<i>xxxx4416</i>	<i>£184,917.78</i>
<i>Lloyds Treasury 32 Day</i>	<i>xxxxSYLN</i>	<i>£403,039.12</i>
<i>Cardnet account</i>		<i>£0.00</i>
<i>Petty Cash - Town Council</i>		<i>£150.76</i>
<i>Petty Cash - Zone</i>		<i>£250.00</i>
<i>Kiosk</i>		<i>£380.00</i>
<i>One Haverhill Partnership</i>	<i>xxxx3368</i>	<i>£6,912.47</i>

The Council had no outstanding loans at the year end. It is noted that the Council have closed the Haverhill in Bloom account (Ref: F25/006).

Reserves

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

The Council have adequate general reserves (£276,556) which are held in the CCLA property account (Ref: Reserves Policy 3.1). Earmarked reserves of £936,257 in their year end accounts. The Council's Reserves Policy states that the Council aims to hold 3 months expenditure in general reserves. Earmarked reserves and general reserves are reviewed as part of the budgeting process each year. Earmarked reserves were confirmed as £870,413.69 at the Town Council meeting held on 24/6/2024 (Ref: C24/096.c.ii.3).

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: [NA](#)
Balance Sheet is correct: [Yes](#)
Trial Balance is correct: [Yes](#)

Sole Trustee The Council has met its responsibilities as a trustee

The Council is a sole trustee of the Haverhill Community Trust (Charity No. 288092). The Independent Examination of the Trust does not form part of this Internal Audit report.

*Total Income £391,162
Total Expenditure £385,285*

The last submission was for the 2024 accounts on 9/1/2025.

Internal Audit Procedures

The 2024 Internal Audit report was considered by the Council at a meeting held on 24/6/2024 (Ref: C24/096.b.iv).

A review of the effectiveness of the Internal Audit was carried out on 24/6/2024 (Ref: C24/096.b.iii).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 13/5/2024 (Ref: C24/079).

External Audit

The Council formally approved the 2024 AGAR at a meeting of the full Council held on 24/6/2024 (Ref: C24/096.c.ii).

The External Auditor's report was considered at a meeting held on 25/11/2024 (Ref: C24/161)

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

The AGAR was not accurately completed before submission for review:

- Section 2, Box 3 for the prior year is incorrect due to a typographical error and should read £590,283.

The smaller authority has not addressed the 'except for' matters raised by the external auditor when qualifying the prior year annual return. Section 2, Boxes 3 and 6 for the prior year have not been amended regarding the £29,400 overstatement from an internal transfer from reserves being included in the figures.

Additional Comments/Recommendations

- The Annual Town Council meeting was held on 13/5/2024. The first item of business was the Election of Mayor, in accordance with Standing Orders.
- There are no additional comments/recommendations to make in relation to this audit.
- I would like to record my appreciation to the Colin and Kerry for their assistance during the course of the audit work and the quality of documentation provided for the audit.



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30 April 2025

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