



**HAVERHILL
TOWN COUNCIL**

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CONSTITUTION:	Town Mayor:	Cllr. A Thomas
	Town Councillors:	L Ager, S Brown, S Fanning, E Goody, M Graham, E McManus, P McManus, T Marks, Mrs M Martin, S Martin, E Morton, K Richardson, L Samples, A Thomas, T Trebble and R Warwick

AGENDA

1. **Apologies for Absence**
Please give any apologies to the office by 5.00 p.m. of the day of the meeting.
2. **Declaration of Interests**
For Members to declare any interests they may have on items on the agenda.
3. **To confirm Minutes of Meeting held 27th June 2006**
4. **To deal with any urgent matters arising from the Minutes not covered by this agenda**
5. **To Receive The External Auditor's Comments on the 2004/2005 Accounts**
The Council is required to receive, note, and action if required, the comments of the External Auditor on the accounts for 2004/2005.
6. **To Receive The Internal Auditor's Notes on the 2005/2006 Accounts**
The Council is required to receive, note, and action if required, the comments of the Internal Auditor on the accounts for 2005/2006.
7. **To Sign Off The External Audit Form for the 2005/2006 Accounts**
The Council is required to sign off the form for the External Auditor on the accounts for 2005/2006 (the Accounts were previously agreed at the meeting held 27th June).
8. **To authorise payments.**

To authorise the following cheque lists:-

Date	Cheque No.s	Value
27.06.2006	002353-002375	£7,602.41
08.07.2006	002376-002388	£5,255.56
11.07.2006	002389-002396	£32,994.01
25.07.2006	002397	£2,010.55
25.07.2006	002398-002433	£55,015.29
01.08.2006	002434-002449	£17,174.94

9. **To receive urgent correspondence**

Section 100(A) (4) of the Local Government Act 1972 the public and press be excluded from the remainder of the meeting on the grounds that the matters to be discussed will involve the likely disclosure of exempt information as defined in paragraphs 1 and 7 of Part 1 of Schedule 12 (A) of the Act.

10. **To Agree A Request from Councillor Fanning for her Absence from Council and Committee meetings to be Approved**

11. **Closure**



Gordon Mussett
Town Clerk

DATE: 2 August 2006

Section 3 – External auditor's certificate and opinion

Certificate

We certify that we have completed the audit of the annual return of
HAVERHILL TOWN COUNCIL/MEETING for the year ended 31 March 2005.

Respective responsibilities of the council and the auditor

The council is responsible for the preparation of the accounts in accordance with the requirements of the Accounts and Audit Regulations and for the preparation of an annual return which:

- summarises the council's accounting records for the year ended 31 March 2005; and
- confirms and provides assurance on those matters that are important to our audit responsibilities.

Our responsibility is to conduct an audit in accordance with guidance issued by the Audit Commission and, on the basis of our review of the annual return and supporting information, to report whether any matters that come to our attention give cause for concern that relevant legislation and regulatory requirements have not been met.

External auditor's report

~~Except for the matters reported below~~ on the basis of our review, in our opinion the information contained in the annual return is in accordance with the Audit Commission's requirements and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

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

1. The Internal Auditor that noted that whilst the precept requirement did result from adequate budgetary procedures, progress against budget was not reported regularly enough to the Council. We would recommend that actual expenditure is compared to budgeted expenditure on a regular basis (monthly) and that this is reported to the Council regularly.
2. In relation to the Council's bank accounts, we noted that the cash book balance of the current account was overdrawn in the sum of £3,476 at 31 March 2005. The overdrawn position technically constitutes unauthorised borrowing and should be avoided in the future. It will be noted that the bank account was never physically overdrawn.

External auditor's signature

L. Lockhart

External auditor's name

LOCKHART FINE

Date

27/7/06

Note: The auditor signing this page has been appointed by the Audit Commission and is reporting to you that they have carried out and completed all the work that is required of them by law. For further information please refer to the Audit Commission's publication entitled *Statement of Responsibilities of Local Councils and their Auditors*.

For clarification Members should be aware that an automatic transfer of funds between accounts occurs at the end of each working day so that there is always £2,000 cleared funds in the Current Account. At 31st March 2005 there was £132,027 in the Deposit Account and a further £13,874 in the Current Account; cheques qritten against the Current Account (but not presented for payment by 31st March totalled £17,350, showing a nominal “overdrawn” position of £3,476. However, as indicated, whilst there are funds in the Deposit Account the Current Account will always be “in the black” at the end of each working day.

Internal Auditor's Report for Haverhill Town Council

Year 2005/6

1. I visited the Town Council eleven times to check the accounts records and procedures.

Tests made

- 2.1 Checking the books of account have been properly kept throughout the year.
- 2.2 Checking a sample of payments to ensure that the Council's financial regulations have been met payments are supported by invoices, expenditure is approved and VAT is correctly accounted for.
- 2.3 Checking of Council meeting minutes to ensure payments are authorised and for other financial mentions.
- 2.4 Reviewing the councils risk assessment and ensuring that adequate arrangements are in place to manage all identified risks.
- 2.5 Verifying that the annual precept request is the result of a proper budgetary process; that the budget process has been regularly monitored and that the council's reserves are appropriate.
- 2.6 Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for.
- 2.7 Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for.
- 2.8 Checking that salaries to employees have been paid in accordance with council approvals and that PAYE and NI requirements have been properly applied.
- 2.9 Checking staff pension payments have been properly made.
- 2.10 Checking the accuracy of the asset and investment registers.
- 2.11 Examining insurance documents.
- 2.12 Testing the accuracy and timeliness of periodic and year-end bank account reconciliation.
- 2.13 Testing the accuracy and completeness of the Year-end Financial Statements.
- 2.14 Comparing inter year figures in the Financial Statements and obtaining reasons for the larger changes.

Comments

- 3.1 Last year I commented on the adequacy of the Councils reserves and am pleased to see that these have been raised to over £50,000 at the end of the year and that provision has been made in the 2006/7 budget to increase them further.
- 3.2 Following my comments last year I am pleased that regular financial reports are being made to Council.
- 3.3 The calculation of Salaries is made using a spreadsheet system. Different rates are paid for different work and times of the day and I do find a number of minor errors (which have all been corrected) when I check this part of the system. I recommend that this is reviewed to add robustness to the calculations.
- 3.4 Other than 3.3 the records and accounts satisfy the tests mentioned above.

Eric Cross 18th July 2006