

# HEELIS&LODGE

Local Council Services • Internal Audit

## **Internal Audit Report for Haverhill Town Council – 2011/12**

Income: £1,269,027

Expenditure: £983,251

Reserves: £934,591

### Annual Return Completion:

Section One: No – draft figures available

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 Audit Report dated 6 January 2012. The following recommendations/comments have been made:

### **2011 External Audit Queries**

Risk Assessment – further risks the Council may need to consider.

- Assets
- Cash
- Employees
- Security of records

*The Council have reviewed the above areas of risk identified by the External Auditor. The review was considered by the full Council on 27/2/2012 – item 13.*

Asset Register – additional information required in the asset register

- Date acquired
- Purchase cost
- Location

*The additional information requested has now been included in the asset register. NB The figure that needs to be entered in Section One, Box 9 of the Annual Return is the cost value/purchase price.*

Minute approval of the Annual Return – no specific minute to approve Sections One and Two of the Annual Return.

*This will be undertaken at the June 2012 meeting where the Annual Return is approved.*

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**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. The Risk Assessment was reviewed on 27/2/2012. All was in order.*

Fidelity Cover: £1,600,000 + wageroll £425,000

*The level of Fidelity cover is over the recommended guidelines of year end balances plus 50% of the precept (£1,372,282).*

VAT reclaimed during the year: Yes Registered: Yes

*VAT returns are submitted online. Checks were undertaken to verify the figures in the fourth quarter return. All were found to be in order.*

Appropriate payment controls including acting within the legal framework

*It is noted that the Council currently use the Power of Wellbeing. This will cease to exist and has been replaced by the General Power of Competence. The Council has ensured that the new Clerk has undertaken the CiLCA which includes the required training which will be needed to be completed to meet the eligibility criteria.*

**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 to SGW payroll. All relevant paperwork is in place and complete. The year end P35 has been submitted within the required timescale. There were no outstanding monies at the year end.*

**Asset control**

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

*A separate asset register is in place. Amendments have been made to include additional information.*

**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. Annual Return Section One figures were checked against the balance sheet and reconciliation sheet. Creditors and debtors are listed. All were found to be in order.*

*The audit also included the inspection of the Hartseats accounts. All were found to be in order.*

**Sole Trustee** The Council has met its responsibilities as a trustee

*The Council is a sole trustee the Haverhill Town Hall Charity (Reg Charity No: 288092).*

**Internal Audit Procedures**

*The Council carried out the review of the effectiveness of the internal audit as well as the review of internal controls at a meeting held on 27/2/2012.*

**Additional Comments/Recommendations**

- There are no additional comments/recommendations to make in relation to this audit.
- I would like to record my appreciation to Neil and Will for their assistance during the course of the audit work



**Heather Heelis**  
**Heelis & Lodge**  
10 May 2012