

HEELIS&LODGE

Local Council Services • Internal Audit

Year End Internal Audit Report for Haverhill Town Council – 2015/16

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 28/10/2015. The following recommendations/comments have been made:

Income: £1,230,765

Expenditure: £1,758,441

Reserves: £834,044

Annual Return Completion:

Section One: **Yes**

Section Two: **Yes**

Section Four: **Yes**

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: **22/3/2016**

Financial Regulations in place: **Yes**

Reviewed: **20/10/2015 (Ref: C15/147)**

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

General Power of Competence: **Yes**

Financial Regulations and Standing Orders in place. Financial Regulations have been updated to include the Public Contracts Regulations 2015.

Quarterly VAT returns have been submitted and supporting paperwork is in place.

Risk Assessment

Appropriate procedures in place for the activities of the council

Risk Assessment document in place: **Yes**

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Insurance was renewed in November 2015. The Risk Register was reviewed again on 19/1/2016 (Ref: C16/012).

Invoices are supported by payment request slips which contain detailed information and dual signatory approval. An examination was undertaken on a random sample of invoices. All were found to be in order.

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.

Petty Cash

Associated books and established system in place

A satisfactory petty cash system is in place with supporting paperwork. A selection of petty cash vouchers were examined between December 2015 – March 2016. 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

PAYE System in place: Yes

The Council are operating RTI in accordance with HMRC regulations. Payroll is outsourced. Supporting paperwork was examined and cross referenced for accuracy. All was 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 Council have invested £500,000 into the CCLA property fund. The treatment of these funds are in compliance with advice from the External Auditor and are now classed as a fixed asset until date of maturity.

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 confirmed and reconciled at the year end:

| | |
|--------------------------|-------------|
| • Current Account | £15,509.53 |
| • 30 Day Deposit Account | £135,970.54 |
| • Payroll Account | £0 |
| • Scottish Widows | £118,247.22 |
| • Lloyds Treasury | £600,993.94 |
| • Petty Cash | £152.53 |

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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, Debtors and accruals are identified.*

Internal Audit Procedures

The Council reviewed the effectiveness of the internal audit at a meeting held on 19/1/2016 (Ref: C16/013).

The Interim Internal Audit report was considered by the Council at a meeting held on 24/11/2015 (Ref:C15/163) .

Additional Comments/Recommendations

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



Heather Heelis
Heelis & Lodge
18 May 2016