

# HEELIS&LODGE

Local Council Services • Internal Audit

## **Interim Internal Audit Report for Haverhill Town Council – 2016/17**

The following Internal Audit was carried out on the adequacy of systems of control. The following recommendations/comments have been made:

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

*All was found to be in order. The Council do not use LGA1972 s137 as they have adopted the General Power of Competence. VAT payments are tracked and identified within the accounts and petty cash. Supporting paperwork is in place and well referenced.*

*All payments are supported with a 'payment request slip' which provides an excellent audit trail and comprehensive information regarding the payment process. Paperwork is presented in a well organised filing system with a consistent approach across the Community Trust, Town Council and Heartseats Ltd.*

**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: 17/5/2016 (Ref: C16/086)

Financial Regulations in place: Yes

Reviewed: 17/5/2016 (Ref: C16/086)

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.*

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Heather Heelis Dip HE Local Policy PILCM

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## Risk Assessment

Appropriate procedures in place for the activities of the council

Risk Assessment document in place: Yes  
Data Protection registration: Yes

*Insurance was in place for the year of audit and has been reviewed and cover increased where appropriate. Insurance is due for renewal in November 2016. The Risk Assessment was last reviewed on 19/1/2016 (Ref: C16/012).*

**Reminder:** *To review the Risk Assessment prior to 31/3/2017.*

*The Council have good internal financial controls in place. Cheque stubbs and payment slips are initialled by signatories. Payment slips for expenditure in excess of £2,500 is countersigned by the Clerk. The Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.*

Fidelity Cover: £1,985,000 plus Wageroll £536,900

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

## Transparency Code

Compliance for smaller councils with income/expenditure under £25,000. Smaller authorities should publish on their website from 1 April 2015:

Smaller Council: No

*The Council are not required to meet the requirements of the Transparency Code for smaller councils.*

## Budgetary controls

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

Precept: £810,984 Date: 19/1/2016 (Ref: C16/007)

*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.*

<b>Petty Cash</b>	<p>Associated books and established system in place</p> <p><i>A satisfactory petty cash system is in place with supporting paperwork.</i></p>
<b>Payroll controls</b>	<p>PAYE and NIC in place where necessary. Compliance with Inland Revenue procedures Records relating to contracts of employment</p> <p>PAYE System in place: <b>Yes</b></p> <p><i>To be carried out at the year end</i></p>
<b>Asset control</b>	<p>Inspection of asset register and checks on existence of assets Cross checking on insurance cover</p> <p><i>A separate asset register is in place. Values are recorded at cost value. The total value of assets at 30/9/2016 are recorded at £708,018.90. The layout of the asset register has been improved to enable clearer presentation of assets and their relevant values.</i></p>
<b>Bank Reconciliation</b>	<p>Regularly completed and cash books reconcile with bank statements</p> <p><i>All were in order. The bank statements reconciled with the accounts and bank reconciliations for all accounts.</i></p>
<b>Sole Trustee</b>	<p>The Council has met its responsibilities as a trustee</p> <p><i>The Council is a sole trustee of the Haverhill Community Trust Charity (Reg: 288092), formerly known as the Haverhill Town Hall Charity. The 2015-2016 Accounts were adopted on 24/5/2016 (Ref: HCT16/08). The unauthorised borrowing (overdraft) and the reasons were noted in the 2015-2016 Interim Internal Audit report dated 28/10/2015). The Annual Report and Financial Statements have been produced for the 2015-2016 financial year.</i></p> <p><i>A selection of transactions were examined and cross referenced with supporting paperwork and the bank statements. All were found to be in order.</i></p> <p><i>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 against supporting paperwork and bank statements. The Hartseats Annual Report has been produced for the 2015-2016 financial year.</i></p>

**Internal Audit  
Procedures**

***Reminder:** To review the effectiveness of the internal audit prior to 31/3/2017.*

*The 2016 Year End Internal Audit report was considered by the Council at a meeting held on 21/6/2016 (Ref: C16/103).*

*Heelis & Lodge were appointed Internal Auditor at a meeting held on 17/5/2016 (Ref: C16/087).*

**External Audit**

*The External Auditor's report was considered by the Council at a meeting held on 26/9/2016 (Ref: C16/151).*

*There were no matters of significance raised by the External Auditor in relation to the 2015-2016 External Audit.*

**Additional Comments/Recommendations**

- The Annual Town Council meeting was held on 7/5/2016, within the required timescale. The first item of business was the Election of Mayor, in accordance with Standing Orders.
- Once again, I commend the Council for their pro-active approach and their commitment to improving the quality of lives for residents in the town.
- 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 his assistance during the course of the audit work



**Heather Heelis**  
**Heelis & Lodge**  
18 October 2016

# HEELIS&LODGE

Local Council Services • Internal Audit

[www.heelisandlodge.co.uk](http://www.heelisandlodge.co.uk)

## INVOICE

**To:**

Haverhill Town Council Haverhill Arts Centre High Street Haverhill Suffolk CB9 8AR
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Invoice No: HL7001
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Date: 18 October 2016
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Details	Quantity	Amount (£)	Total (£)
To carry out Interim Internal Audit for Haverhill Town Council for the year ended 31 March 2017	1	300.00	300.00
Total			300.00

Please make cheques payable to: Heelis & Lodge

Terms – 30 days

Thank you.

**HEELIS&LODGE**

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