

HEELIS & LODGE

Local Council Services • Internal Audit

Interim Internal Audit Report for Haverhill Town Council – 2018/19

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: 23/4/2018 (Ref: C18/065)
Financial Regulations in place: Yes
Reviewed: 15/5/2018 (Ref: C18/089)

VAT reclaimed during the year: Yes Registered: Yes

General Power of Competence: Yes

Committee Terms of Reference were adopted at a meeting held on 15/5/2018 (Ref: C18/084).

It is noted that the Town Council now administer the One Haverhill Partnership.

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Tenders exceeding the £25,000 threshold have been advertised on the Contract Finders website.

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

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 Town Council handles its data. It is advised that, due to the financial risk associated with the new Data Protection Regulations, this should form part of the Town Council's Risk Assessment.

Privacy Policy: *Adopted 18/6/2018 (Ref: C18/116).*

Published on the website: *Yes*

Recommendation: *To also have a link to the Privacy Policy either on the Home page and/or the Contact Us page in order to make it more 'visible' to users..*

The Council have very good internal financial controls in place. Cheque stubbs and invoices are initialled by signatories. The Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.

Audit trails were examined on a number of transactions from April – August 2018. The systems in place enabled clear cross referencing and sound financial controls.

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**

Website: www.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.

Budgetary controls

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

Precept: £930,972.66

Date: 29/1/2018 (Ref: C18/010)

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

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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.

Payroll controls

PAYE and NIC in place where necessary.
Compliance with Inland Revenue procedures
Records relating to contracts of employment

To be carried out at the year end.

Asset control

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

The Asset Register was reviewed and confirmed at a meeting held on 15/5/2018 (Ref: C18/091 d).

Bank Reconciliation

Regularly completed and cash books reconcile with bank statements

All were in order. Bank Reconciliations are carried out monthly.

Reserves

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

To be examined at the year end.

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.

To be carried out at the year end.

Sole Trustee

The Council has met its responsibilities as a trustee

The Council is a sole trustee of the Haverhill Community Trust. In addition to the Leiston Centre, the Trust has taken on responsibility for 'Haverhill in Bloom'. The independent examination of the Trust falls within the scope of the Internal Audit for the Town Council. Income and expenditure transactions from April – September 2018 were examined as part of the audit trail. The Trust uses the same systems as the Council which provides a clear and thorough audit trail.

An examination was also carried out on the Heartseats Ltd financial transactions from April – August 2018.

**Internal Audit
Procedures**

*Heelis & Lodge were appointed Internal Auditor at a meeting held on 15/5/2018
(Ref: C18/090).*

External Audit

*There were no matters raised by the External Auditor in relation to the 2017-
2018 External Audit.*

Additional Comments/Recommendations

- The Annual Town Council meeting was held on 15/5/2018, within the required timescale. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- I would like to take this opportunity to commend the Town Council on their active leadership in the community in meeting the needs of the people of Haverhill. The installation of a pump track, kitchen for cookery classes and taking on Haverhill in Bloom are just some of the examples of how the Town Council projects are improving the quality of life for the people who live and work 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**
6 November 2018