

HEELIS & LODGE

Local Council Services • Internal Audit

Internal Audit Report for Haverhill Town Council – 2023/2024

The following Internal Audit was carried out on the adequacy of systems of control in accordance with the requirements of the Audit and Accounts Regulations 2015 and the guidance and instruction in the Practitioners Guide 2023. The following recommendations/comments have been made:

Income: £2,002,205 Expenditure: £2,065,815 Reserves: £610,667

AGAR Completion:

Section One: **No**

Section Two: **Yes – draft figures (unsigned)**

Annual Internal Audit Report 2023/2024: **Yes**

Certificate of Exemption: **No**

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

All were found to be in order. VAT payments are tracked and All were found to be in order. The Council hold the General Power of Competence and LGAs137 does not apply. The cashbook is referenced providing a clear audit trail. Supporting paperwork is in place and well referenced.

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: **15/5/2023 (Ref: C23/069)**

Financial Regulations in place: **Yes**

Reviewed: **15/5/2023 (Ref: C23/069)**

VAT reclaimed during the year: **Yes** Registered: **Yes (Reg: 759 9415 72)**

Period:	Amount:
01/01/2024-31/03/2024	(£13,554.75)
01/10/2023-31/12/2023	£1,611.29
01/07/2023-30/09/2023	£1,889.07
01/04/2023-30/06/2023	£1,875.50

Contact details : 1 Hembling Terrace, Mill Lane, Suffolk, IP13 0PP

Tel: 07732 681125

Email: heather@heelis.eu

Heather Heelis Dip HE Local Policy FILCM

Lynne Lodge Dip HE Local Policy

General Power of Competence: **Yes** Adopted: **15/5/2023 (Ref: C23/073)**

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 (Ref: Z5642015)**

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 Council handles its data. Due to the financial risk associated with the General Data Protection Regulations, the Council have included this in their Risk Assessment.

Privacy Policy published: **Yes**

Insurance was in place for the year of audit with a review taking place on 26/6/2023 (Ref: C23/088.d). The Council have separate insurance in place for soft play and vehicles.

The Risk Assessment was reviewed at a meeting held on 26/6/2023 (Ref: C23/088/c.iii.5). Internal Controls were reviewed on 26/6/2023 (Ref: C23/088.b).

The Council have effective internal financial controls in place. The Clerk provides financial reports to council meetings. Councillors are provided with information to enable them to make informed decisions.

The Council is proactive in supporting organisations within the community through a grant giving scheme. The maximum grant that the Leisure and Community Committee can approve is £2,000. Grant applications for sums exceeding £2,000 are referred to Full Council. A Grant Policy is in place. It is noted that the policy was reviewed on 16/5/2023 (Ref: LC23/034).

Fidelity Cover: **£2,000,000**

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

Transparency

Under the **Transparency code for smaller authorities**, smaller councils with income/expenditure under £25,000 should publish on their website from 1 April 2015:

Smaller Council: **No**
Website: <https://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.

Under **The Accounts & Audit Regulations 2015 15** councils must publish on their website:

External audit report

2023 Annual Return, Section One Published – Yes

2023 Annual Return, Section Two Published – Yes

2023 Annual Return, Section Three Published – Yes

Under **The Accounts & Audit Regulations** councils must publish on their website:

Notice of period for the exercise of public rights

Published – Yes

Period of Exercise of Public Rights

Publish Date: [27/6/2023](#) Start Date: [28/6/2023](#) End Date: [31/8/2023](#)

Under the requirements of the **Accounts and Audit Regulations 2015 13(2b)** council are required to display AGARs for the five years 2018-19, 2019-20, 2020-21, 2021-22 and 2022-23 on their website.

The Council have met the publication requirements.

Budgetary controls supporting documents

Verifying the budgetary process with reference to council minutes and

Precept: £1,364,232 (2023-2024) Date: 30/1/2023 (Ref: C23/011.b)

Precept: £1,445,073 (2024-2025) Date: 29/1/2024 (Ref: C24/012.b)

Effective 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 a sample of 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 for the Town Council and The Zone with supporting paperwork in place. A sample of receipts were examined from to April 2023 and March 2024. 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**
Employer's Reference: **245/SH277**
P60s issued: **Yes**

The Council continue to operate RTI in accordance with HMRC regulations. Payroll is outsourced. Supporting paperwork is in place and P60s have been produced as part of the year end process. Eligible employees have joined the nominated pension scheme. A sample of payroll transactions were examined across the year and all was found to be in order. Timesheets are in place and completed.

Asset control

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

A separate asset register is in place with a review taking place on 26/6/2023 (Ref: C23/088.c.ii.4). Values are recorded at cost value. The total value of assets are recorded at £967,755.29. The figure in the asset register corresponds with the figure in Section 2, Box 9 of the AGAR. The CCLA property investment lies within the asset register and is not included in the year end bank balances.

Bank Reconciliation

Regularly completed and cash books reconcile with bank statements

All were in order. Bank Reconciliations are carried out regularly. The bank statements reconciled with the end of year accounts and bank reconciliations for all accounts.

Bank Balances at 31 March were confirmed as:

<i>Current</i>	<i>xxxx3992</i>	<i>£33,558.52</i>
<i>30 Day Deposit</i>	<i>xxxx4416</i>	<i>£209,042.68</i>
<i>Lloyds Treasury 32 Day</i>	<i>xxxxSYLN</i>	<i>£408,931.60</i>
<i>Cardnet account</i>		<i>£6,005.25</i>
<i>Petty Cash - Town Council</i>		<i>£153.63</i>
<i>Petty Cash - Zone</i>		<i>£57.02</i>
<i>Kiosk</i>		<i>£160.00</i>
<i>One Haverhill Partnership</i>	<i>xxxx3368</i>	<i>£16,811.08</i>

Reserves

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

The Council have adequate general reserves and have identified earmarked reserves in their year end accounts. The Council have a Reserves Policy and Investment Policy in place.

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 and Debtors are identified within the year end accounts.

Sole Trustee

The Council has met its responsibilities as a trustee

The Council is a sole trustee of the Haverhill Community Trust (Charity No. 288092). The Independent Examination of the Trust does not form part of this Internal Audit report.

*Total Income £229,262
Total Expenditure £238,747*

The last submission was for the 2023 accounts on 31/1/2024.

Internal Audit Procedures

The 2023 Internal Audit report was considered by the Council at a meeting held on 15/5/2023 (Ref: C23/070).

A review of the effectiveness of the Internal Audit was carried out on 26/6/2023 (Ref: C23/088.b).

Heelis & Lodge were appointed as Internal Auditor at a meeting held on 15/5/2023 (Ref: C23/071).

External Audit

The Council formally approved the 2023 AGAR at a meeting of the full Council held on 26/6/2023 (Ref: C23/088.c.ii).

The External Auditor's report was considered at a meeting held on 31/10/2023 (Ref: C23/136.b).

The following matters were brought to the attention of the Council:

The AGAR was not accurately completed before submission for review. Please ensure that amendments are corrected in the prior year comparatives when completing next year's AGAR:

- The smaller authority has not addressed the 'except for' matter raised by the external auditor when qualifying the prior year annual return. Section 2, Box 2, the annual precept, does not agree to the figure published by the precepting authority. The figures in Boxes 2 and 3 for the prior year should read £1,042,834 and £708,231 respectively. All grants, including Council Tax Support Grant, should be shown in Box 3, as per the guidance notes on the AGAR.
- The smaller authority has confirmed that Section 2, Boxes 3 and 6 for the current year have been overstated by £29,400 due to an internal transfer from reserves being included in the figures in error.

Additional Comments/Recommendations

- The Annual Town Council meeting was held on 15/5/2023. The first item of business was the Election of Chairman, in accordance with Standing Orders.
- There are no additional comments/recommendations to make in relation to this audit.
- I would like to record my appreciation to Colin and Kerry for their assistance during the course of the audit work and the quality of documentation presented for the audit.



Heather Heelis
Heelis & Lodge
21 May 2024

Contact details : 1 Hembling Terrace, Mill Lane, Suffolk, IP13 0PP
Tel: 07732 681125
Email: heather@heelis.eu

Heather Heelis Dip HE Local Policy FILCM
Lynne Lodge Dip HE Local Policy

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www.heelisandlodge.co.uk

INVOICE

To:

Haverhill Town Council
Haverhill Arts Centre
High Street
Haverhill
Suffolk
CB9 8AR

Invoice No: HL9468
Date: 21 May 2024

Details	Quantity	Amount (£)	Total (£)
To carry out Internal Audit for Haverhill Town Council for the year ended 31 March 2024	1	605.00	605.00
Total			605.00

Please make cheques payable to: Heelis & Lodge

Terms – 14 days

Bank Details: Account 02539349 Sort Code 72-00-00

Thank you.

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