

Chartered Certified Accountants & Tax Consultants



KinnairdHill

Montagu House
81 High Street
Huntingdon
Cambridgeshire PE29 3NY

T 01480 453112
F 01480 431200
E kh@kinnairdhill.co.uk
W www.kinnairdhill.co.uk

Private and confidential
Huntingdon Town Council
Town Hall
Market Hill
HUNTINGDON
PE29 3PJ

Our Ref: LS /H255
9th June 2016

Dear Sirs

REPORT OF THE INTERNAL AUDITORS TO THE MEMBERS OF THE HUNTINGDON TOWN COUNCIL

We are reporting for the financial year ended 31 March 2016.

We have carried out the planned internal audit work for the above year which covers the areas of :-

- bookkeeping
- standing orders and financial regulations
- payment controls
- risk management arrangements
- budgeting controls
- income controls
- petty cash procedures
- payroll controls
- asset controls
- bank reconciliation
- year end procedures
- trust funds

Interim reports on our findings have been submitted to the Town Clerk after each visit, copies of which are attached for your perusal.

We intend to complete section 4 of your 2015/16 Annual Return giving our responses to the internal control objectives and will include copies of our interim reports when replying.

Our interim reports do not indicate any loss to Huntingdon Town Council, as they are all matters of a procedural nature which can be rectified through updated processes in the areas identified.

We would take this opportunity to confirm that internal audit work is carried out on a test basis and cannot be relied upon to identify all strengths and weaknesses which may exist.

Kind regards

Nita E Hutchcraft FCCA
Partner
For and on behalf of Kinnaird Hill

Chartered Certified Accountants & Tax Consultants



KinnairdHill

Montagu House
81 High Street
Huntingdon
Cambridgeshire PE29 3NY

T 01480 453112
F 01480 431200
E kh@kinnairdhill.co.uk
W www.kinnairdhill.co.uk

Mr P Peacock
Huntingdon Town Council
Town Hall
Market Hill
HUNTINGDON
PE29 3PJ



Our Ref: LS/H255
9th June 2016

Dear Mr Peacock

RE – Internal Audit Visit

Please find detailed below the findings in relation to the internal audit visit undertaken by Lorraine Sturdy:-

Visit 7th June 2016

Year End Procedures

- Year-end accounts prepared on the correct accounting basis – all appears to be in order.
- Accounts agree with the cashbook – all appears to be in order.
- Existence of an audit trail from underlying financial records to the accounts – all appears to be in order.
- Debtors properly recorded – Trade and other debtors and prepayments all appear to be in order.
- Creditors properly recorded – Trade creditors and sundry creditors all appear to be in order.
- Fixed Assets – all appeared to be in order..

General observations noted

- Income generated from the Town Hall is not shown separately in the financial statements. Referred to B Porter, who advises that the annual return has been amended to reflect the split, however, the financial statements show the netted off position (as in previous years).
- Debtors – it was noted that there were debtors totalling £1,734.77 which were over three months old at the year end.
- Accruals – it was noted that an accruals totalling £6,136 were carried forward from last year.
- Creditors – It was noted that there were purchase invoices outstanding in excess of 30 days. It was confirmed with Helen that the majority of these have since been paid.

This visit now concludes the internal audit work for 2015/16. I shall forward to you our report summarising our findings. In the meantime should you need anything further please do not hesitate to contact either myself or Lorraine.

Kind regards,

Nita Hutchcraft FCCA
Kinnaird Hill

Chartered Certified Accountants & Tax Consultants

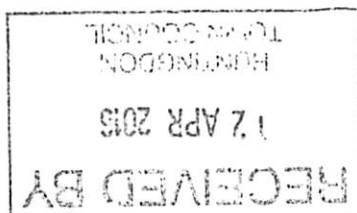


KinnairdHill

Montagu House
81 High Street
Huntingdon
Cambridgeshire PE29 3NY

T 01480 453112
F 01480 431200
E kh@kinnairdhill.co.uk
W www.kinnairdhill.co.uk

Mr P Peacock
Huntingdon Town Council
Town Hall
Market Hill
HUNTINGDON
PE29 3PJ



Our Ref: LS/H255
12th April 2016

Dear Mr Peacock

RE- Internal Audit Visit.

Please find detailed below the findings in relation to the internal audit visit undertaken by Lorraine Sturdy on Tuesday 15th March 2016:-

Asset Controls

- Assets (written to profit and loss account)

Work done:-

- Copy of the asset register was requested for perusal – provided by David, all in order.
- It was confirmed with David and Peter that the assets had been physically verified recently.
- Physical asset verification was confirmed as being undertaken at least annually by the Town Council.
- Nominal activity on the accounting data was perused to verify that asset additions were recorded on the register.
- Insurance policy was perused to ensure adequate cover.

Observations:-

- It was noted that the insured value of the 4 Georgian tables was lower than the value recorded on the asset register. This was discussed with Philip Peacock who confirms that the insured value is that of the independent valuers and appears to be adequately insured.

Risk Management Arrangements

- Minutes were reviewed to identify any unusual financial activity – all appears in order.
- 2015/16 Risk Register – The council have a number of separate policies for areas such as Tree management, Business continuity, Playgrounds, Legionella, COSH, Asbestos and Driving in place – Strategy for identification of risks appears to be adequate.
- Play area inspections – All found to be in order.

Payroll

- A sample of employees were selected to review.
 - Contracts of employment – all appears to be in order.
 - Salary paid agrees to contract of employment and rates approved by council and to point scale– all appears to be in order
 - Pension contribution percentage agrees to local government guidelines – all appears to be in order.
 - Payment of wages to employees – all appears to be in order.
 - PAYE and NIC calculations and deductions were verified – appears to be in order.
 - Authorisation of payments out of bank – all appears to be in order.
 - Verification of journal postings to SAGE –all appears to be in order.
 - Verification of PAYE and NIC creditor – all appears to be in order.
 - Annual pay rises/changes communicated to staff – all appears to be in order.

VAT

- Records relating to the quarterly VAT claims were reviewed.
 - Current rate of 20% being applied – all appears to be in order.
 - Claims submitted timely and accurately – all appears to be in order.
 - Amount owing to HMRC debtor on Trial Balance at visit date reconciled – all appears to be in order.

Budgets and variances

- The budget setting process and monitoring of actual against budget results and variances was reviewed.
 - Budget prepared presented at the finance committee meeting – all appears in order.
 - Budget prepared adopted in setting of the precept – all appears in order.
 - Variance analysis presented to the finance committee at least quarterly – all appears in order, however, the review for the period ending 31.12.15 does not appear in the minutes, although P Peacock has confirmed that this did in fact take place.
 - Progress against budget and large / unusual variances discussed by committee along with any decisions taken noted – all appears in order, however, the review for the period ending 31.12.15 does not appear in the minutes, although P Peacock has confirmed that this did in fact take place.

Tenders

- Tenders reviewed – the process for dealing with tenders detailed in the financial regulations was used to verify the process undertaken when processing tenders that were recorded in the tender book.
- It was noted that the new financial regulations were not as prescriptive in its guidance as the previous edition. The following processes were omitted from the financial regulations:-
 - Signature of the person opening the tender to be recorded in the tender book.
 - Signature of the person receiving the tender for evaluation to be recorded in the tender book.
 - Town clerk or authorisation of a deputy present at the time of opening tender to sign the tender book.
 - One member of the committee present at the time of opening tenders to sign the tender book.

It was observed that there had been no tenders in the current financial year.

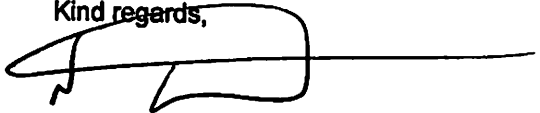
Items deferred from previous visit:-

Income

- Income from leased premises and grounds
 - Regular invoices issued for leased premises and grounds were reviewed – all appears in order.
- Income from allotments
 - Deferred to next visit due to a problem with the new software.

Lorraine's next visit will be scheduled once the annual accounts are available which is likely to be during May 2016. She looks forward to seeing you then, however, please do not hesitate to contact her beforehand should the need arise.

Kind regards,



Nita Hutchcraft FCCA
Kinnaird Hill