



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

Our Ref: NEH/BV/H255  
8 June 2022

Dear Mr Peacock,

**RE – Internal Audit for 2021-22**

Please see detailed below the findings in relation to the internal audit work undertaken by Christine Lees in the week commencing 23<sup>rd</sup> May 2022:

**Income**

- All income streams were reviewed:
  - Regular invoices issued for leased premises and grounds – appears to be in order.
  - The Coneygear Centre Hire bookings and invoices – appears to be in order.
  - The Town Hall Hire bookings and invoices – appears to be in order
  - Interment applications and invoices – appears to be in order.
  - Allotments - appears to be in order.
- Precept payment received agreed to notification – appears to be in order.
- Receipt of payments – the process for receiving and banking cheques and cash was confirmed, appears to be in order.

**Petty Cash**

- Petty cash procedures and float were reviewed – Procedures appear to be in order; however, the balance was more than the £120 float limit stated in the Financial Regulations. This was discussed with the RFO, who will make arrangements to increase the float limit to £250.00.

**Debtors**

- Debtors were reviewed for old balances and collectable debts – old balances were noted; however, these appear to be being chased for payment.
- Debtors listing balance compared to that on the Omega trial balance - appears to be in order.

**Assets (written to profit and loss account)**

- Asset register was reviewed to ensure it was being appropriately updated – this is a work in progress but for our testing purposes the totals were correct and it appears to be in order.
- Fixed Asset opening balances – In the Fixed Asset note to the accounts, some balances were incorrect due to errors in posting in Omega during the period when there was no RFO and incorrect formulas. An explanation is included in the accounts and corrections will be made in 22/23, where necessary, all appears to be in order.
- Fixed Asset capital expenditure – It was noted that the amount of Capital expenditure did not agree to the Fixed Asset note in the accounts. Errors were identified and amended. Otherwise, all found to be in order.

- Physical asset verification was planned in 2021 – Assets at the Coneygear Centre and the Crematorium were verified in October and December 2021. However, the move to the new depot was delayed and it is planned for a full asset check when they move around September 2022 – appears to be in order.
- Nominal activity on the accounting data was perused to verify that asset additions were recorded on the register – appears to be in order.
- Insurance policy was reviewed to ensure adequate cover is considered by the council – appears to be in order.

#### **Register of interests**

- Declaration of acceptance held for each councillor – appears to be in order.
- Declaration of financial interest or declaration of no change held for each councillor – It was noted that forms held were not up to date on the HTC website after Elections were held on 5 May 2022. However, there were 3 vacant seats and co-options are due to take place on 31 May 2022, after which the forms will be uploaded. This therefore appears to be in order.

#### **Risk Management Arrangements**

- Minutes were reviewed to identify any unusual financial activity – appears to be in order.
- Risk Assessment schedule should be presented to the Council on an annual basis – this was last reviewed and presented to the Council in February 2021. There are plans to present the 2022/23 schedule in future and this will be followed up at our next visit.
- 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 – appears to be in order.

#### **Tenders**

- No tenders took place during 21/22.


#### **Exercise of Public Rights**

- Publication added to Huntingdon Town Council's website in a timely manner - appears to be in order.
- Included the correct content - appears to be in order.
- Published by the RFO - appears to be in order.

#### **Recommendations for Improvements to Financial Regulations**

As a continuing part of the internal audit process, recommended improvements will be provided after each visit and as stated above, it is recommended that the Petty Cash float be increased to £250.00.

Yours sincerely,



**Nita Hutchcraft FCCA**  
For and on behalf of Kinnaird Hill

Chartered Certified Accountants & Tax Consultants



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8 June 2022

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 2022.

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

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

We have completed the relevant section of your 2021/22 Annual Return giving our responses to the internal control objectives.

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.

We look forward to working with you again in the coming year and Bethan will be in touch to arrange suitable dates.

Yours faithfully,

**Nita Hutchcraft FCCA**  
For and on behalf of Kinnaird Hill



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Our Ref: NEH/BV/H255  
8 June 2022

Dear Mr Peacock

***RE – Internal Audit Visit***

Please find detailed below the findings in relation to the internal audit work undertaken by Christine Lees in the week commencing 23<sup>rd</sup> May 2022:

**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 – all appear to be in order.
- Creditors properly recorded – trade and sundry creditors and accruals all appear to be in order.
- Fixed Assets – Apart from the opening balances, for which a satisfactory note is now disclosed in the Accounts, all appear to be in order.

**General Observations Noted**

- A few minor errors were identified in the accounts, all of which have been corrected by the RFO.

This visit now concludes the internal audit work for 2021/22. 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 Bethan.

Yours sincerely,

**Nita Hutchcraft FCCA**  
For and on behalf of Kinnaird Hill





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

Our Ref: NH/BV/H255  
26<sup>th</sup> April 2022

Dear Mr Peacock,

***RE – Internal Audit visit***

Please find detailed below the findings in relation to the internal audit visit undertaken by Christine Lees during the week commencing Monday 11<sup>th</sup> April 2022:

**Bank**

- Bank reconciliations for each account:
  - Current bank account– reconciliations held and in order, and adequately authorised.
  - Mixed payments account – reconciliations held and in order, and adequately authorised.
  - Imprest staffing account– reconciliations held and in order, and adequately authorised.
  - CCLA deposit account – reconciliations held and in order, and adequately authorised.

**Proper Bookkeeping**

- Cashbook appears to be maintained and up to date.
- Cashbook appears to be arithmetically correct.
- Cashbook appears to be regularly balanced.

**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.
  - HMRC debtor on trial balance, reconciled to latest VAT return – all appears to be in order.

**Creditors**

- Creditors were reviewed for old balances and payments on account – there were two outstanding credit balances which are yet to be cleared and a number of payment on account items which are waiting for purchase items. Otherwise all appears to be in order.
- Creditors listing balance compared to that on the Omega trial balance - appears to be in order.

**Payment Controls**

- Purchase invoices and payments were reviewed:
  - Proper purchase authority by committee or officers is in place – our sample identified that not all of the authorisation was in place under the updated COVID 19 procedures. See recommendation below.

- VAT on supporting paperwork has been appropriately identified for reclaim for part of the year, but it was noted that it has not yet been reclaimed for the capital projects. We are aware that this is being looked at and actioned.
- Finance committee minutes were reviewed to ensure that payments are presented in a timely manner and authorised. Again, we are aware that there is a lapse in some payments being authorised due to a changeover in staff but this is being actioned. Otherwise all appears to be in order.

### **Payroll**

- A sample of monthly paid employees were selected to review:
  - Contracts of employment – two contracts of employment were obtained and tested.
  - Salary paid agrees to the acceptance letter, and rates approved by council and point scale – appears to be in order.
  - Pension contribution percentage agrees to local government guidelines – appears to be in order.
  - Payment of working from home allowance – appears to be in order
  - Payment of wages to employees – appears to be in order.
  - PAYE and NIC calculations and deductions were verified – appears to be in order.
  - Verification of PAYE and NIC creditor – appears to be in order.

### **Budgets and Variances**

- The budget setting process, and monitoring of actual results against budgeted results and variances, was reviewed:
  - Budget prepared is presented at the finance committee meeting – all appears in order.
  - Budget prepared is adopted in setting of the precept – all appears in order.
  - Variance analysis presented to the finance committee at regular intervals – all appears in order.
  - Progress against budget and large / unusual variances are discussed by committee and any decisions made, are noted – all appears in order.

### **Standing Orders**

- Current standing orders were obtained from the Town Council.
- Standing orders have not been reviewed during the year due to the unusual circumstances COVID19. We will follow this up at the year end visit.

### **Financial Regulations**

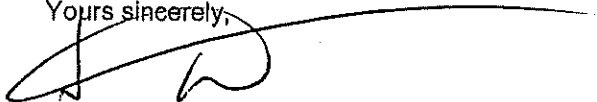
- The latest edition of the financial regulations was obtained from the Town Council.
- Financial regulations have not been reviewed this year due to the unusual circumstances COVID19. We will follow this up at the year end visit.

### **Recommendations for Improvements to Financial Regulations**

As a continuing part of the internal audit process, recommended improvements will be provided after each visit. During this visit we recommend that with the ongoing restrictions of COVID 19 that the Town Council enhances its procedures around approval of invoices. We appreciate this is a difficult time with staff working remotely, but our testing found little evidence of approval of invoices for payment under the updated procedures and with future uncertainty over the pandemic, we suggest this area could be investigated for improvement.

Bethan will contact you in due course to arrange the next visit / remote visit and Christine looks forward to working with you then, however, please do not hesitate to contact either one beforehand should the need arise.

Yours sincerely,



Nita Hutchcraft FCCA  
For and on behalf of Kinnaird Hill