

ANNETTE SIMPSON

9 PLANTATION AVENUE
LITTLETOWN
DURHAM
DH6 1PY

ACCOUNTING & FINANCIAL SERVICES

TEL: 0191 3722286
Mobile: 07399 999773

15th June 2019

Audit Services for Hetton Town Council

This internal audit has been carried out in accordance with the Local Councils Audit Commission. I have acted independently and carried out relevant assessments on the procedures and controls expected of Hetton Town Council during the financial year ended 31st March 2019.

I believe that this statement of accounts presents fairly the financial position of Hetton Town Council and its income and expenditure for the year ended 31st March 2019.

I have completed my findings and recommendations to accompany the Internal Audit.

Signed by Internal Auditor

AEJ 15/6/19

Annette Elizabeth Simpson
annette.simpson@hotmail.com

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Hetton Town Council – Internal control objectives not completed

Note A: Appropriate accounting records have been properly kept throughout the financial year.

IA Response: Fully comprehensive records available to review from July 2018. Clear and concise evidence of monthly activity, income and expenditure complete with receipts. Records available from 1st April 2018 to 30th June are sparse with little or no backup.

Note C: This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.

IA response: No evidence of such an assessment was available to review. By assessing risks HTC will be able to identify the key risks that hinder the achievement of strategic objectives. HTC should establish a well - defined process for review.

Note F: Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.

IA response: Hetton Town Council does not have a petty cash facility.

Note H: Asset and investments registers were complete and accurate and properly maintained.

IA response: No Asset Register was available for review. HTC should identify and review all assets owned and keep records of the book value of the asset so depreciation can be calculated and recorded. This could be a simple note book with a list of assets but ideally an excel spreadsheet detailing each asset and depreciation calculation. I understand an Asset Register is currently being developed and I can offer assistance if required.

General remarks

It would appear historic records may not have been maintained to a standard fully necessary to reflect the requirements of the audit process.

Working papers to the previous year's audit are sparse with little evidence or backup to figures provided. For example, I could not find any evidence to back up £49,302 in box 8 of previous years audit.

HTC would benefit from electronically recording monthly activity in a spreadsheet or commercial software package; this would give an auditor a clear trail of monthly activity and would be readily available for review. For example, there must be an asset register in some form as an accountant has previously depreciated assets but there is no evidence of what they were depreciating. There is no back up to the total of £907 in box 9 of the accounting statement.

I recommend the Council build upon those key improvements to the financial controls and processes which have been implemented throughout 2018-19; adopting clear audit trails and to ascertain the risks within their objectives.

Signed by Internal Auditor

AEJw: 15/6/19

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