

Herefordshire Association of Local Councils (HALC)

Internal Audit Service

INTERNAL AUDIT REPORT

Weobley Parish Council 2023/24

1. Introduction

Herefordshire Association of Local Councils (HALC) conducted the Internal Audit review for the year ending 31st March 2024.

2. 2022/23 Internal Audit recommendations?

No	Recommendation	Completed
2.1	The cashbook should show the cheques in consecutive number order.	No
2.2	A review of Standing Orders should be carried out as soon as possible.	No
2.3	A VAT claim should be made as soon as possible,	No
2.4	A Reserve Policy should be adopted by the Parish Council.	No
2.5	There should be an independent sign off of the Bank Reconciliation by a councillor	No

3. Findings of the Audit

	Scope	Observation	Pass	Rec
3.A	Appropriate accounting records have been properly kept throughout the financial year	The cashbook was not in consecutive cheque number order. See 3B below	No	R.1
3.B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.	As the cashbook was not in consecutive cheque number order, but in date cleared, this made it difficult to ascertain fully if payments were authorised. In addition, as invoices were not referenced to date paid or authorised it was difficult to ascertain that payments were supported by invoices. Standing Orders on the Parish Councils website is dated May 2018, in addition there was no review of Financial Regulations. There was no VAT Claim during the year, a recommendation was also made following the 2022/23 audit.	No	R.2 R.3 R.4
3.C	This authority assessed the significant risks to achieving its objectives and reviewed	There was no Insurance schedule submitted so unable	Yes	

	Scope	Observation	Pass	Rec
	the adequacy of arrangements to manage these.	to ascertain if cover is adequate.		
3.D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Budget monitoring did not comply with Financial Regulations There is no Reserve Policy	No	R.5 R.6
3.E	Expected income was fully received, based on correct prices, properly recorded, and promptly banked; and VAT was appropriately accounted for.		Yes	
3.F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.		N/a	
3.G	Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied		Yes	
3.H	Asset and investments registers were complete and accurate and properly maintained.		Yes	
3.I	Periodic and year-end bank account reconciliations were properly carried out.		Yes	
3.J	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.		Yes	
3.K	IF the authority certified itself as exempt from a limited assurance review in 2022/23 it met the exemption criteria and		N/a	

	Scope	Observation	Pass	Rec
	correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")</i>			
3.L	The Authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with legislation		Yes	
3.M	In the year covered by the AGAR the authority correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2023/24 AGAR period were public rights in relation to the 2022/23 AGAR evidenced by a notice on the website and /or authority approved minutes confirming the dates set)		Yes	
3.N	The authority has complied with the publication requirements for 2022/23 AGAR		Yes	
3.O	Trust funds (including charitable) The council met its responsibility as a trustee		N/a	
3.P	Accounting Statement Complete		Yes	

4. Recommendations

- 4.1 The cashbook should show the cheques in consecutive number order and not when cleared order.
- 4.2 The Parish Council should ensure that there is a clear link between the cashbook, Invoices, and authorisation.
- 4.3 Standing Orders should be updated, with a review of Financial Regulation carried out annually.
- 4.4 A VAT claim should be made as soon as possible.
- 4.5 Budget Monitoring should take place in line with Financial Regulations.
- 4.6 The Parish Council should adopt a Reserve Policy and review its reserves annually.

5. Annual Return- Internal Control Objective

	Objective	Yes	No	Not Covered	Rec No
A	Appropriate accounting records have been properly kept throughout the financial year		√		R.1

	Objective	Yes	No	Not Covered	Rec No
B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.		√		R.2
C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	√			
D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		√		R.5 R.6
E	Expected income was fully received, based on correct prices, properly recorded, and promptly banked; and VAT was appropriately accounted for.	√			
F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.	N/a			
G	Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	√			
H	Asset and investments registers were complete and accurate and properly maintained.	√			
I	Periodic and year-end bank account reconciliations were properly carried out.	√			
J	Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	√			
K	If the authority certified itself as exempt from a limited assurance review in 2022/23 it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")</i>	N/a			
L	The Authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with legislation	√			
M	In the year covered by the AGAR the authority correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2023/24 AGAR period were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and /or authority approved minutes confirming the dates set)	√			
N	The authority has complied with the publication requirements for 2022/23 AGAR	√			
O	Trust funds (including charitable) The council met its responsibility as a trustee	N/a			

HALC Internal Audit Services
18-07- 2024