

# Herefordshire Association of Local Councils (HALC)

## Internal Audit Service

### INTERNAL AUDIT REPORT

#### Weobley Group Parish Council 2021/22

#### 1. Introduction

Herefordshire Association of Local Councils has carried out an end of year Internal Audit review.

#### 2. 2020/21 Internal Audit recommendations?

No	Detail	Actioned
2.1	Updated Financial Regulations should be adopted by the Parish Council	Yes
2.2	There should be a clearer link between the Asset Register and the insurance schedule.	No
2.3	The minutes confirming approval of the 2020/21 precept and budget is required.	Yes
2.4	As required Budget monitoring should be submitted and be considered by the Parish Council on a regular basis.	Yes
2.5	In future Income Tax due to HMRC should be paid to HMRC direct and not be included in the payments to the Clerk.	Yes
2.6	The Parish Council ask HALC and Autela to liaise with HMRC regarding the queries going back years as identified by Autela.	Yes
2.7	Confirmation of the previous Clerks hours is needed.	Yes
2.8	The Asset Register should be updated.	Yes
2.9	There should be regular bank Reconciliations during the year, and balances should be reported to the Parish Council.	Yes
2.10	The notes relating to the exercise of public rights must be published as legally required.	No

#### 3. Findings of the Audit

	Scope	Observation	Pass	Rec
3.A	Appropriate accounting records have been properly kept throughout the financial year		Yes	
3.B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.	Yes – although invoices should be signed by two signatories alongside the cheques and stubs as a full trail.	Yes	R1
3.C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	In view of the high value assets there should be a clearer link between the asset register and insurance schedule.	Yes	R2

	<b>Scope</b>	<b>Observation</b>	<b>Pass</b>	<b>Rec</b>
3.D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	The budget monitoring sheet needs to be included within the minutes or as an appendix.  A reserve policy needs putting in place	Yes	R3  R4
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 2020/21, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review</i>	N/A		

	Scope	Observation	Pass	Rec
	<i>of its 2020/21 AGAR tick "not covered")</i>			
3.L	The Authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements	The Location of Public Land and Buildings (Library/Museum)assets needs to be published on the website	Yes	
3.M	The authority during the previous year (2020/21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations	The guidance was not attached to the Notice of Public Rights	No	<b>R5</b>
3.N	The authority has complied with the publication requirements for 2020/21 AGAR	Need to put the Name and address of the external auditor on the website	Yes	
3.O	Trust funds(including charitable) The council met its responsibility as a trustee	N/A		
3.P	Annual Return Complete		Yes	

#### 4. Recommendations

- 4.1 Invoices need signing by signatories alongside the cheques and stubs for full trail
- 4.2 In view of the high value assets there should be a clearer link between the asset register and insurance schedule.
- 4.3 The budget monitoring sheet needs to be included within the minutes or as an appendix.
- 4.4 A reserves Policy needs putting in place
- 4.5 The guidance was not attached to the Notice of Public Rights

#### 5. Annual Return- Internal Control Objective

	Objective	Yes	No	Not Covered	Rec No
<b>A</b>	Appropriate accounting records have been properly kept throughout the financial year	<b>X</b>			
<b>B</b>	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	<b>X</b>			<b>R1</b>
<b>C</b>	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	<b>X</b>			<b>R2</b>
<b>D</b>	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	<b>X</b>			<b>R3 R4</b>
<b>E</b>	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	<b>X</b>			

	<b>Objective</b>	<b>Yes</b>	<b>No</b>	<b>Not Covered</b>	<b>Rec No</b>
<b>F</b>	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.			<b>X</b>	
<b>G</b>	Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	<b>X</b>			
<b>H</b>	Asset and investments registers were complete and accurate and properly maintained.	<b>X</b>			
<b>I</b>	Periodic and year-end bank account reconciliations were properly carried out.	<b>X</b>			
<b>J</b>	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.	<b>X</b>			
<b>K</b>	If the authority certified itself as exempt from a limited assurance review in 2020/21, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2020/21 AGAR tick "not covered")</i>			<b>X</b>	
<b>L</b>	The Authority publishes information on a free to access website/webpage up to date at the time of the internal audit in accordance with any relevant transparency code requirements	<b>X</b>			
<b>M</b>	The authority during the previous year (2020/21) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations		<b>X</b>		<b>R5</b>
<b>N</b>	The authority has complied with the publication requirements for 2020/21 AGAR	<b>X</b>			
<b>O</b>	Trust funds(including charitable) The council met its responsibility as a trustee				

**E. J. Thomas on behalf of**

**HALC Internal Audit Services  
24<sup>th</sup> June 2022**