

# Herefordshire Association of Local Councils (HALC)

## Internal Audit Service

### INTERNAL AUDIT REPORT

#### Garway Parish Council 2019/20

#### 1. Introduction

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

#### 2. 2018/19 Internal Audit recommendations?

No	Detail	Actioned
1	Budget Reports/ Finance reports need to evidenced and linked to the signed minutes	No
2	The approved budget should be clearly evidenced in the signed minutes	No
3	Standing Orders and Financial regulations require review	unable to confirm minutes 9 <sup>th</sup> September 2019 missing
4	The required notes should be published with the notice of public rights	Yes

#### 3. Scope of Audit

The scope of the audit covered

- 3.1 Budgeting
- 3.2 Accounting records and supporting documents
- 3.3 Bank Reconciliation
- 3.4 Investments
- 3.5 Income
- 3.6 Standing Orders and Financial Regulations
- 3.7 Petty Cash
- 3.8 Employment
- 3.9 VAT
- 3.10 Fixed Assets and Equipment
- 3.11 Risk Management
- 3.12 Annual Return 2020
- 3.13 Exempt Criteria
- 3.14 Exercise of Public Rights
- 3.15 Trusts

#### 4. Findings of the Audit

	Scope	Observation	Pass	Rec
4.1	Appropriate accounting records have been properly kept throughout the financial year		Yes	
4.2	This authority complied with its financial regulations, payments were supported	Standing Orders reviewed 09/09/19 PC however the minutes of the meeting is not on	Yes	R.1

	Scope	Observation	Pass	Rec
	by invoices, all expenditure was approved and VAT was appropriately accounted for.	the website or could be found by the current Clerk		
4.3	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	No review carried out during the year  Highways Furniture not covered under insurance	No	R.2  R.3
4.4	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	Agreed budget not attached to minutes Based upon information received there was no consideration of budget monitor by the Parish Council, prior to 27/11/19 (6.4) however unable to ascertain what was reported as not attached to the minutes	No	R.4
4.5	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	Although budgeted for ,no Wayleave income received, explanation required why not received,	Yes	R.5
4.6	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.		N/a	
4.7	Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied	3/10/19 (3) start 7/10/19 SCP 25 £14.96 PH not clear how many hours per week as not in minutes and no contract of employment submitted  Regarding the previous Clerk minute 8/04/19 (9.2) mentions Pay Clerks salary as per schedule,, no schedule submitted .payments made <ul style="list-style-type: none"> <li>• 24/04/19 –£ 361.68</li> <li>• 24/05/19 - £361.68</li> <li>• 25/05/19 - £186.12</li> <li>• 24/06/19 - £361.68</li> <li>• 27/06/19 - £186.12</li> </ul> Unable to verify as no minutes between 2 <sup>nd</sup> May 2019 and 2 <sup>nd</sup> October 2019 on the Parish Council Website.	No	R.6  R.7
4.8	Asset and investments registers were complete		Yes	

	Scope	Observation	Pass	Rec
	and accurate and properly maintained.			
4.9	Periodic and year-end bank account reconciliations were properly carried out.		Yes	
4.10	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	
4.11	<b>IF</b> the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")</i>	24 <sup>th</sup> June 2019 minutes not on the Parish Council Website and could not be found by the current Clerk	No	<b>R.1</b>
4.12	The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.	No variance analysis on Website Expenditure over £100 not disclosed Location of Bus shelter not disclosed.	No	<b>R.8</b>
4.13	Trust funds(including charitable) The council met its responsibility as a trustee		N/a	
4.14	Annual Return Complete		Yes	

## 5. Recommendations

- 5.1 Missing minutes to be found even if this means contacting the previous Clerk.
- 5.2 Risks must be reviewed during the year.
- 5.3 Insurance cover to be linked to the Asset Register to ensure appropriate cover.
- 5.4 The approved budget to be an appendix to the signed minutes, and budget monitoring to take place over the year.
- 5.5 Checks be carried out to identify why the Wayleave Income was not received
- 5.6 The Parish Council needs to confirm the number of hours worked by the new Clerk
- 5.7 Procedures should be in place to ensure that all relevant documents are passed over on the change of Clerk.
- 5.8 Documents legally required should be published.

## 6. 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>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>C</b>	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		√		<b>R.2</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>R.4</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>F</b>	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.			<b>N/a</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>R.6 R.7</b>
<b>H</b>	Asset and investments registers were complete and accurate and properly maintained.	√			
<b>I</b>	Periodic and year-end bank account reconciliations were properly carried out.	√			
<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>K</b>	<b>IF</b> the authority certified itself as exempt from a limited assurance review in 2018/19, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2018/19 AGAR tick "not covered")</i>		√		<b>R.1</b>
<b>L</b>	The authority has demonstrated that during summer 2019 it correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations.		√		<b>R.8</b>
<b>M</b>	Trust funds(including charitable) The council met its responsibility as a trustee			<b>N/a</b>	

**R.A.FORD**

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**On Behalf of HALC Internal Audit Services**  
**June 2020**