

Herefordshire Association of Local Councils (HALC)

Internal Audit Service

INTERNAL AUDIT REPORT

Garway Parish Council 2020/21

1. Introduction

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

2. 2019/20 Internal Audit recommendations?

No	Detail	Actioned
1	Missing minutes to be found even if this means contacting the previous Clerk.	no
2	Risks must be reviewed during the year.	Yes
3	Insurance cover to be linked to the Asset Register to ensure appropriate cover.	no
4	The approved budget to be an appendix to the signed minutes, and budget monitoring to take place over the year.	no
5	Checks be carried out to identify why the Wayleave Income was not received	yes
6	The Parish Council needs to confirm the number of hours worked by the new Clerk	yes
7	Procedures should be in place to ensure that all relevant documents are passed over on the change of Clerk.	Not known
8	Documents legally required should be published	No

3. Findings of the Audit

	Scope	Observation	Pass	Rec
4.A	Appropriate accounting records have been properly kept throughout the financial year	The Cash book is based on cheques cleared though the bank and not in Cheque number order	Yes	R.1
4.B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.	Cashbook payments from 23/4/20 to 13/07/20 not authorised by the Parish Council	No	R.2
4.C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Notice Boards and Signage not covered by insurance.	Yes	R.3
4.D	The precept or rates requirement resulted from an adequate budgetary process; progress against	Approved budget not part of the minutes	No	R.4

	Scope	Observation	Pass	Rec
	the budget was regularly monitored; and reserves were appropriate.	Reported in May 20 and December 20 only no reports attached to minutes, Budget monitoring be done more regularly in line with Financial regulations		R.5
4.E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.		Yes	
4.F	Petty cash payments were properly supported by receipts, all petty cash expenditure was approved, and VAT appropriately accounted for.		N/a	
4.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	
4.H	Asset and investments registers were complete and accurate and properly maintained.		Yes	
4.I	Periodic and year-end bank account reconciliations were properly carried out during the Year.	Bank Reconciliation at 31/03/21 needed There are no actual Bank Reconciliations with minutes The Bank reconciliation Is based on cheques cleared though the bank and not Cheques issued	No	R.6 R.7
4.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	
4.K	IF the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and		Yes	

	Scope	Observation	Pass	Rec
	correctly declared itself exempt.			
4.L	If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the transparency code for smaller authorities.	<ul style="list-style-type: none"> The AGAR Annual Internal Audit Report to 31st March 2020 was not published on the website by 31st August 2020. All items of expenditure above £100 was not published on the website by 31st August 2020. The Location of Public land and Buildings Assets was not published on the Parish Councils website by 31st August 2020. (bus shelter) 	No	R.8
4.M	The Authority during the previous year (2019/20) correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations (Yes	
4.N	The authority has complied with the publication requirements for 2019/20 AGAR	The AGAR internal Audit Report was not published by 31 st August 2020	No	R.9
4.O	Trust funds(including charitable) The council met its responsibility as a trustee		N/a	
4.P	Annual Return Complete		Yes	

4. Recommendations

- 4.1 The cash book should be in cheque book number order and not cheque cashed order.
- 4.2 All payments should be authorised by the Parish Council.
- 4.3 All assets should have insurance cover.
- 4.4 The approved budget to be an appendix to the signed minutes,
- 4.5 Budget monitoring to take place over the year.
- 4.6 The Bank Reconciliation at 31st March 2021 is needed.
- 4.7 The Bank Reconciliation during the year should be based on Cheques issued and not cleared, and reconciliations form part of the minutes
- 4.8 The requirements of the Transparency Code should be met.
- 4.9 Documents legally required should be published.

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	√			
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
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 during the year.		√		R.6
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 2019/20, it met the exemption criteria and correctly declared itself exempt.	√			
L	If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the transparency code for smaller authorities.		√		R.8
M	The Authority during the previous year (2019/20 correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations	√			
N	The authority has complied with the publication requirements for 2019/20 AGAR		√		R.9
O	Trust funds(including charitable) The council met its responsibility as a trustee			N/a	

R. A. FORD

On Behalf of HALC Internal Audit Services

May 21