

Herefordshire Association of Local Councils (HALC)

Internal Audit Service

INTERNAL AUDIT REPORT

Holme Lacy 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?

Herefordshire Association of Local Councils did not carry out the review last year so unable to identify if there were any recommendations.

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	
3.C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	There is a need to align the Asset Register to the insurance schedule,	Yes	R.1
3.D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	There are comprehensive budget monitoring reports considered, however these are not referenced in the minutes The Parish Council has not adopted a Reserve policy.	Yes	R.2 R.3
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	

	Scope	Observation	Pass	Rec
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.	Minutes show that bank Reconciliations are reported, however there are no financial information in the minutes. Reports have been submitted separately. There is no independent sign off	Yes	R.4 R.5
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 of its 2020/21 AGAR tick "not covered")</i>		Yes	
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	All items of expenditure over £100 was not published. The Location of Public land and Buildings was not published.	No	R.6
3.M	The authority during the previous year (2020/21) correctly provided for the period for the exercise of	Notes not published	No	R.7

	Scope	Observation	Pass	Rec
	public rights as required by the Accounts and Audit Regulations	Inspection period was 32 day and not the legally required 30 days		
3.N	The authority has complied with the publication requirements for 2020/21 AGAR		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 The Parish Council to align the Asset Register to the insurance schedule.
- 4.2 The period covered by budget monitoring reports should be evidenced in minutes.
- 4.3 The Parish Council should adopt a Reserve Policy.
- 4.4 The figures and date covered by reported Bank Reconciliations should be evidenced in the minutes.
- 4.5 The reported Bank reconciliations should be independently checked and signed off by a Councillor.
- 4.6 The requirements of the Transparency Code should be complied with.
- 4.7 The Parish Council should ensure that it complies with the requirements of the Exercise of Public Rights

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.	√			
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.	√			
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.	√			

	Objective	Yes	No	Not Covered	Rec No
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 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>	√			
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		√		R.6
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		√		R.7
N	The authority has complied with the publication requirements for 2020/21 AGAR	√			
O	Trust funds(including charitable) The council met its responsibility as a trustee	N/a			

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June 2022