

Herefordshire Association of Local Councils (HALC)

Internal Audit Service

FINAL INTERNAL AUDIT REPORT

Linton Parish Council 2017/18

1. Introduction

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

2. 2016/17 Internal Audit recommendations

No	Detail	Actioned
1	Approved budget to be attached to the minutes and the precept evidenced in the minutes.	Part only
2	Future Budget monitoring should be evidenced	√
3	Financial Regulation to be evidenced	√
4	Insurance cover to be evidenced	√
5	Risk Management to be evidenced.	√
6	Dates to be entered on published agenda so that the legal requirement can be evidenced	√
7	The Code of Conduct and Equality Policy to be evidenced.	Not followed up

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 2018

4. Findings of the Audit

	Scope	Observation	Pass	Rec
4.1	Budgeting	Although Budget monitoring does take place to be transparent reports should be attached to the relevant minutes	Yes	R.1
4.2	Accounting records and supporting documents		Yes	
4.3	Bank Reconciliations		Yes	
4.4	Investments		N/a	
4.5	Income		Yes	
4.6	Standing Orders and Financial Regulation		Yes	
4.7	Petty Cash		No Petty Cash	
4.8	Employment		Yes	
4.9	VAT	Unable to identify when the last VAT return was made	Yes	R.2
4.10	Fixed Assets and Equipment		Yes	
4.11	Risk Management		Yes	
4.12	Annual Return		Yes	

5. Recommendations

5.1 Budget monitoring reports to be attached to the relevant minutes.

5.2 Copy of latest VAT Return needed

6. Annual Return- Internal Control Objective

	Objective	Yes	No	Not Covered	Rec No
A	Appropriate accounting records have been kept properly through the year	√			
B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT 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.1
E	Expected income was fully received, based on correct prices, promptly 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			No Petty Cash	
G	Salaries to employees and allowances to members were paid in accordance this authority 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	√			

	Objective	Yes	No	Not Covered	Rec No
J	Accounting statements prepared during the year were prepared on the correct accounting basis,(receipts, and payments or income and expenditure) agreed to the cashbook supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded	√			
		Yes	No	N/a	
K	Trust funds(including charitable) The council met its responsibility as a trustee			√	

R.A.FORD

On Behalf of HALC Internal Audit Services

May 2018