

# Herefordshire Association of Local Councils (HALC)

## Internal Audit Service

### INTERNAL AUDIT REPORT

#### Linton Parish Council 2022/23

#### 1. Introduction

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

#### 2. 2021/22 Internal Audit recommendations?

No	Detail	Actioned
1	Financial regulations should be reviewed as soon as possible.	Yes
2	A VAT claim to be made as soon as possible.	No
3	A Reserve Policy should be adopted by the Parish Council.	No
4	A Councillor should check and sign off Bank Reconciliations.	No
5	The Public Rights inspection period must be 30 days.	Yes

#### 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.	A VAT claim has not been made for some time	Yes	R.4.1
3.C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	The last Risk Assessment was done on 13 <sup>th</sup> October 2021	No	R.4.2
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 minutes show that budget monitoring took place in April 22 only (13a), noncompliant with Financial Regulation 4.8  There is no Reserve Policy and there was no review of reserves	No	R.4.3  R.4.4
3.E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and		Yes	

	Scope	Observation	Pass	Rec
	VAT was appropriately accounted for.			
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.	There was no evidence of independent check and sign off, of Bank reconciliations by a Councillor	Yes	<b>R4.5</b>
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 2021/22, it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")</i>		Yes	
3.L	The Authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with legislation	Unable to access the Analysis of Variances, the Bank Reconciliation at 31/03/22., and there was no publication of the location of public land	No	<b>R.4.6</b>
3.M	In the year covered by the AGAR the authority correctly provided for the		Yes	

	Scope	Observation	Pass	Rec
	exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and /or authority approved minutes confirming the dates set)			
3.N	The authority has complied with the publication requirements for 2021/22 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 A VAT Claim to be made as soon as possible.
- 4.2 A review of risks must be made at least once a year.
- 4.3 Budget monitoring should comply with Financial Regulations,
- 4.4 The Parish Council should adopt a Reserve Policy and review its reserves at least once a year.
- 4.5 A Councillor should check and sign off Bank Reconciliations.
- 4.6 The Parish Council should comply with the legal publication requirements.

#### 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>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>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>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.	N/a			

	Objective	Yes	No	Not Covered	Rec No
<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>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>	If the authority certified itself as exempt from a limited assurance review in 2021/22 it met the exemption criteria and correctly declared itself exempt. <i>(If the authority had a limited assurance review of its 2021/22 AGAR tick "not covered")</i>	√			
<b>L</b>	The Authority published the required information on a website/webpage up to date at the time of the internal audit in accordance with legislation		√		
<b>M</b>	In the year covered by the AGAR the authority correctly provided for the exercise of public rights as required by the Accounts and Audit Regulations (during the 2022-23 AGAR period were public rights in relation to the 2021-22 AGAR evidenced by a notice on the website and /or authority approved minutes confirming the dates set)	√			
<b>N</b>	The authority has complied with the publication requirements for 2021/22AGAR	√			
<b>O</b>	Trust funds (including charitable) The council met its responsibility as a trustee	N/a			

**HALC Internal Audit Services**

**10<sup>th</sup> June 2023**