Herefordshire Association of Local Councils (HALC)

Internal Audit Service

INTERNAL AUDIT REPORT

Linton Parish Council 2023/24

1. Introduction

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

2. 2022/23 Internal Audit recommendations

No	Detail	Actioned
1	A VAT claim to be made as soon as possible	Yes
2	A review of risks must be made at least once a year	Yes
3	Budget monitoring should comply with financial regulations	No
4	The Parish Council should adopt a reserve policy and review its reserves at least once a year	Yes
5	A councillor should check and sign off Bank Reconciliations	No
6	The Parish Council should comply with the legal publication requirements.	Yes

3. Findings of the Audit

	Scope	Observation	Pass	Rec
3.A	Appropriate accounting records have been properly kept throughout the financial year		X	
3.B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.	Invoices need to be signed by the two signatories at the meeting they are approved.	X	**1**
3.C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.		X	
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 budget for 2024-25 was due to be set in April after the start of the financial year and after the precept has been requested. The 2023-24 budget was not approved until May 2023	No	**2**

	Scope	Observation	Pass	Rec
		There is no evidence of any budget figures within the minutes or as an appendix. The Chair and Vice-Chair agreed the precept figure between meetings. It was simply noted at a full council meeting. Although there is evidence of on-going budget monitoring throughout the year, there are no figures or details shown.		
3.E	Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.		X	
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		X	
3.H	Asset and investments registers were complete and accurate and properly maintained.	The asset register should list price at purchase not replacement value.	X	
3.I	Periodic and year-end bank account reconciliations were properly carried out.	Whilst it is implied in the minutes that bank reconciliations have been undertaken, there is no detail given – any reports should be included a appendices. The bank reconciliations should be signed off by a Cllr throughout the year.	No	
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		X	

	Scope	Observation	Pass	Rec
	records and where appropriate debtors and creditors were properly recorded.			
3.K	IF the authority certified itself as exempt from a limited assurance review in 2022/23 it met the exemption criteria and correctly declared itself exempt. *(If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")*		X	
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		X	
3.M	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 2023/24 AGAR period were public rights in relation to the 2022/23 AGAR evidenced by a notice on the website and /or authority approved minutes confirming the dates set)		X	
3.N	The authority has complied with the publication requirements for 2022/23 AGAR		Yes	
3.O	Trust funds (including charitable) The council met its responsibility as a trustee		N/A	
3.P	Annual Return Complete		X	

4. Recommendations

4.1 All invoices should be signed by the signatories at the meeting they are approved.

4.2 The budget should be set before the precept figure is requested. Both must be done at a meeting of the Full Council and minuted fully – either within the minutes or as an appendix.

4.3 There should be on-going budget monitoring throughout the year – showing detail

4.4 Update the asset register to list purchase value not replacement value.

4.5 Bank reconciliations should be carried out regularly and minuted clearly using figures, or the reports adding as an appendix.

4.6 The bank reconciliations should be checked and signed off independently by a Cllr.

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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.	√			**4.1**
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.		√		**4.2** **4.3**
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.	√			**4.4**
I	Periodic and year-end bank account reconciliations were properly carried out.		√		**4.5** **4.6**
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 2022/23 it met the exemption criteria and correctly declared itself exempt. *(If the authority had a limited assurance review of its 2022/23 AGAR tick "not covered")*	√			
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	√			
M	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 2023/24 AGAR period were public rights in relation to the 2022-23 AGAR evidenced by a notice on the website and /or authority approved minutes confirming the dates set)	√			
N	The authority has complied with the publication requirements for 2022/23 AGAR	√			
O	Trust funds (including charitable) The council met its responsibility as a trustee	N/a			

HALC Internal Audit Services
14th May 2024