

Herefordshire Association of Local Councils (HALC)

Internal Audit Service

INTERNAL AUDIT REPORT

Weston Under Penyard 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	Accounting records to take account of VAT	Yes
2	A proper Risk Register is developed in line with JPAG Accounting Guidance.	Yes
3	The insured value of the Laptop be reviewed at the next insurance review.	Yes
4	The approved budget to form part of the signed and approved minutes	No
5	Minute confirmation of when the salary increase came into force.	No
6	Future Bank reconciliations to be based upon the cheques issued and not cheques cleared.	Yes
7	The publication requirements to be met in future.	No
8	The required notes to be published in future as legally required	No

3. Findings of the Audit

	Scope	Observation	Pass	Rec
4.A	Appropriate accounting records have been properly kept throughout the financial year		Yes	
4.B	This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT was appropriately accounted for.		Yes	
4.C	This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	The Parish Council does not have Fidelity Insurance.	Yes	R.1
4.D	The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly	Reserves more than twice Precept Reserve Policy needed – Confirmation has been received that one is now in place	Yes	

	Scope	Observation	Pass	Rec
	monitored; and reserves were appropriate.			
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.	The Balance from the Bank Statement is reported, with the Bank Rec linked to budget monitoring report. For consistence and clarity, the Figure from the Bank reconciliation should be reported to the Parish Council	Yes	R.2
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 correctly declared itself exempt.		Yes	

	Scope	Observation	Pass	Rec
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.	the analysis of variances for 31 st March 2020 was not published on the website by 31 st August 2020.2019	No	R.3
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 (The Parish Council did not publish on its Website a Copy of Notice of Public Rights & Publication of unaudited Governance & Accountability Return for 31 st March 2020 by 31 st August 2020 (confirmation has been received that it had been publish but was removed later when it was deemed no longer relevant	No	R.4
4.N	The authority has complied with the publication requirements for 2019/20 AGAR	The Parish Council did not Publish AGAR internal Audit Report by 31 st August 2020	No	R.4
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 Parish Council reconsider its decision not to have Fidelity insurance cover.
- 4.2 For consistence and clarity, the Figure from the Bank reconciliation should be reported to the Parish Council instead of the bank balance.
- 4.3 All the requirements of the Transparency Code should be met.
- 4.4 All publication requirements should be met.

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.	√			

	Objective	Yes	No	Not Covered	Rec No
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.	√			
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.3
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		√		R.4
N	The authority has complied with the publication requirements for 2019/20 AGAR		√		R.4
O	Trust funds(including charitable) The council met its responsibility as a trustee				

R. A. FORD

On Behalf of HALC Internal Audit Services
June 21