

# Annual internal audit report 2015/16 to

Enter name of smaller authority here:

HUMBER, FORD AND STONE PRIOR GROUP PARISH COUNCIL


This smaller authority's internal audit, acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with relevant procedures and controls expected to be in operation during the financial year ended 31 March 2016.

Internal audit has been carried out in accordance with this smaller authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this smaller authority.

Internal control objective	Agreed? Please choose only one of the following		
	Yes	No*	Not covered**
A. Appropriate accounting records have been kept properly throughout the year.	✓		
B. This smaller authority met its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This smaller 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.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this smaller 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.	✓		
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. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.			✓

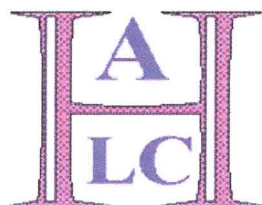
For any other risk areas identified by this smaller authority adequate controls existed (list any other risk areas below or on separate sheets if needed)

Name of person who carried out the internal audit MRS S M OWENS WALKER

Signature of person who carried out the internal audit  Date 15/04/2016

\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned, or, if coverage is not required, internal audit must explain why not (add separate sheets if needed).



## Herefordshire Association of Local Councils (HALC)

### Internal Audit Service Checklist for Year Ending 31 March 2016

Name of Council	Humber Ford & Stoke Prior	Name of Clerk:	Philip Brown
No. of Councillors	Eleven	Name of RFO (if different)	
Quorum	Four	Precept	£6,356.00
Electorate	529	GPOC Eligibility / Accreditation	Yes

#### 1. Book Keeping

1.1. Ledger maintained and up to date?	Yes		
1.2. Arithmetic correct?	Yes		
1.3. Payments in ledger supported by invoices, authorised and minuted?	Yes		
1.4. VAT evidence, recording and reclaimed?	Yes		
1.5. S137 recorded separately & proportional benefit to electorate?	Yes		

#### 2. Due Process

2.1. Standing Orders adopted ?	Yes		December 2014
2.2. Standing Orders reviewed at annual meeting?	Yes		May 2015
2.3. Financial Regulations adopted?	Yes		And reviewed 2015
2.4. Financial Regulations properly tailored to council?	Yes		
2.5. Evidence of Internal Control?	Yes		
2.6. Agendas signed, informative and displayed with 3 clear days notice?	Yes		
2.7. Evidence of Knowledge of Legal Powers	Yes		
2.8. Committee terms of reference exist and have been reviewed?	Yes		

#### 3. Risk Management

3.1. Does scan of minutes reveal any unusual activity?		No	
3.2. Annual risk assessment carried out?	Yes		
3.3. Insurance cover appropriate and adequate?	Yes		Renewed May 2015
3.4. Evidence of annual insurance review?	Yes		Reviewed May 2015
3.5. Internal financial controls documented and evidenced?	Yes		
3.6. Minutes initialled, each page identified and overall signed?	Yes		Web version marked as draft & unsigned
3.7. Regular reporting and minuting of bank balance?	Yes		
3.8. S137 expenditure minuted?	Yes		

#### 4. Asset Control

4.1. Does council keep a register of all material assets owned?	Yes		
4.2. Is asset register up to date?	Yes		
4.3. Value of individual assets included?	Yes		
4.4. Inspected for risk and up to date inspection records exist	Yes		
4.5. Record of deeds, articles and land register references available?			Council Reports N/A

## 5. Budget

5.1. Annual budget to support precept?	Yes		
5.2. Has budget been discussed and adopted by council?	Yes		
5.3. Any reserves earmarked?	Yes		
5.4. Any unexplained variances from budget?		No	
5.5. Precept demand correctly minuted?	Yes		Reference 115/15 d

## 6. Payroll – Clerk

6.1. Contract of employment?	Yes		
6.2. Tax code issued ?	Yes		
6.3. PAYE / NI evidence?	Yes		
6.4. Has council approved salary paid?	Yes		
6.5. Other payments reasonable and approved by council?	Yes		

## 7. Bank Reconciliations

7.1. Is there a bank reconciliation for each account?	Yes		
7.2. Reconciliation carried out on receipt of statement?	Yes		
7.3. Any unexplained balancing entries in any reconciliation?		No	

## 8. Year End Procedures

8.1. Year end accounts prepared on correct accounting basis?	Yes		Receipts & Payments
8.2. Bank statements and ledger reconcile?	Yes		
8.3. Underlying financial trail from records to presented accounts?	Yes		
8.4. Where appropriate, debtors and creditors properly recorded?	Yes		
8.5. Has council agreed, signed and minuted sections 1 & 2 of the annual return prior to internal audit ?		No	

## 9. Miscellaneous

9.1. Evidence that internal & external audit reports received & actioned?	Yes		
9.2. Has the council adopted a Code of Conduct since July 2012?	Yes		18 <sup>th</sup> July 2012
9.3.			
9.4. Do arrangements for public inspection of council's records exist?	Yes		


## Transaction Spot Check

Check No.	1	2	3			
Ledger date	13/05/2015	30/09/2015	29/02/2016			
Item / Budget heading	Professional	Admin / NDP	Lengthsman			
Ref/cheque no.	574	597	629			
Payment minute ref	54/15a	114/15	32/16			
Invoice value	405.98	60.58	558.00			
Minute value	405.58	60.58	558.00			
Cheque value	405.58	60.58	558.00			
Statement value	405.58	60.58	558.00			
Timely payment	Yes	Yes	Yes			
VAT recorded	Yes	Yes	Yes			
S137 recorded in ledger	N/A	N/A	N/A			
S137 minuted	N/A	N/A	N/A			

Notes						
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### Annual Return

	Year ending 31 March 2015	Year ending 31 March 2016
1. Balances brought forward	£15,538	£8,051
2. Annual precept	£6,232	£6,356
3. Total other receipts	£5,041	£6,104
4. Staff costs	£2,110	£2,507
5. Loan interest/capital repayments	0	0
6. Total other payments	£16,650	£12,149
7. Balances carried forward	£8,051	£5,855
8. Total cash and investments	£8,051	£8,855
9. Total fixed assets and long term assets	£3,194	£3,198
10. Total borrowings	0	0

Internal audit carried out by	 (signed)	Mrs S. M. Owens-Walker
Audit type (delete as appropriate)	<del>Interim</del>	Annual
Date	15 <sup>th</sup> April 2016	

For auditor's use only	
Page 5 of Annual Return Form completed and signed	YES
Report/letter sent to council	YES
Copy of internal auditor's report sent to HALC	YES