

Herefordshire Association of Local Councils (HALC)  
 Internal Audit Service  
**INTERNAL AUDIT REPORT**  
 Humber, Ford & Stoke Prior Group Parish Council 2018/19

**1. Introduction**

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

**2. 2017/18 Internal Audit recommendations?**

| No | Detail  | Actioned |
|----|---|----------|
| 1  | Sign off, of Bank Reconciliations to be made clearer in the Minutes | Yes      |

**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 2019
- 3.13 Exempt Criteria
- 3.14 Exercise of Public Rights
- 3.15 Trusts

**4. Findings of the Audit**

|      | Scope                                       | Observation   | Pass | Rec |
|------|---|---|------|-----|
| 4.1  | Budgeting                                   |   | Yes  |     |
| 4.2  | Accounting records and supporting documents | There were internal generated vouchers, for Parish Pump and Hall Hire payments made   | Yes  | R.1 |
| 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                                  |   | Yes  |     |
| 4.8  | Employment                                  |   | Yes  |     |
| 4.9  | VAT   |   | Yes  |     |
| 4.10 | Fixed Assets and Equipment                  |   | Yes  |     |
| 4.11 | Risk Management                             | Although risks are reviewed the Risk Register is not in the format recommended in the Practitioners Guide to Proper Practices | Yes  | R.2 |

|      | Scope                     | Observation | Pass | Rec |
|------|---------------------------|-------------|------|-----|
| 4.12 | Annual Return             |             | Yes  |     |
| 4.13 | Exempt Criteria met       |             | Yes  |     |
| 4.14 | Exercise of public rights |             | Yes  |     |
| 4.15 | Trusts                    |             | N/a  |     |

## 5. Recommendations

5.1 That an agreed schedule of payments be signed to cover the Parish Hall & the Parish Pump payments.

5.2 The Risk Register should be in the format recommended in the Practitioners Guide to Proper Practices

## 6. Annual Return- Internal Control Objective

|          | Objective   | Yes | No | Not Covered | Rec No     |
|----------|---|-----|----|-------------|------------|
| <b>A</b> | Appropriate accounting records have been kept properly through the year   | √   |    |             |            |
| <b>B</b> | This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved, and VAT appropriately accounted for  | √   |    |             | <b>R.1</b> |
| <b>C</b> | This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these   | √   |    |             | <b>R.2</b> |
| <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, promptly 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  | √   |    |             |            |
| <b>G</b> | Salaries to employees and allowances to members were paid in accordance this authority 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 cashbook 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 assurance review in 2017/18, it met the exemption criteria and correctly declared itself exempt ( <i>not covered should only be ticked where the authority had a limited assurance review of its 2017/18 AGAR</i> )                                    | √   |    |             |            |
| <b>L</b> | During the Summer of 2018 this authority has correctly proved the proper opportunity for the exercise of public rights in accordance with the requirements of the accounts and Audit Regulations  | √   |    |             |            |
| <b>M</b> | Trust funds (including charitable) The council met its responsibility as a trustee  |     |    | <b>N/a</b>  |            |

**R.A.FORD**

On Behalf of HALC Internal Audit Services  
April 2019