

HALSALL PARISH COUNCIL

INTERNAL AUDIT 2023-2024

YEAR-END REPORT

29th April 2024

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Internal Audit Forum
THE VOICE FOR LOCAL COUNCIL AUDIT

The internal audit of Halsall Parish Council has been carried out by undertaking the following tests as specified in the JPAG (Joint Panel on Accountability and Governance) latest guidelines 2023.

- Checking that books of account have been properly kept throughout the year
- Checking a sample of payments to ensure that the Council's financial regulations have been met, payments are supported by invoices, expenditure is approved, and VAT is correctly accounted for
- Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
- Verifying that the annual precept request is the result of a proper budgetary process; that budget progress has been regularly monitored and that the council's reserves are appropriate
- Checking income records to ensure that the correct price has been charged, income has been received, recorded and promptly banked and VAT is correctly accounted for
- Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied

AGAR certificate reference	Internal Audit checks for expected controls 2023/24	Recommendation	HPC Response/action
<p>A. Appropriate accounting records have been properly kept throughout the year. AND Periodic bank account reconciliations were properly carried out during the year.</p>	<ul style="list-style-type: none"> • correct roll forward of the prior year cashbook balances to the new financial year • a sample of financial transactions in cashbooks checked to bank statements • bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members • verified the accuracy of the year-end bank reconciliation detail and ensure accurate disclosure of the combined cash and bank balances in the AGAR, section 2, line 8. 	<p>A member, other than the Chairman, should be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The member should sign the reconciliations and the original bank statements (or similar document) as evidence of verification (FR 2.2).</p>	
<p>B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.</p>	<ul style="list-style-type: none"> • procedures are in place for acquisition of formal tenders and quotes and are in line with the SOs and FRs which are based on the latest version. • reviewed the procedures for receipt of invoices • VAT reclaims are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements 	<p>Noted that the FR will be updated when the latest version is available.</p> <p>A suitably designed certification stamp should be in place providing for evidencing of these checks and payment authorisation and applied to all invoices.</p>	
<p>C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to</p>	<ul style="list-style-type: none"> • HPC has prepared, and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc • appropriate levels of insurance cover are in place for land, buildings, public, employers and hirers' (where applicable) liability, fidelity / employees (including councillors) liability 	<p>Consider business interruption and cyber security insurance.</p> <p>Consider adoption of a risk management policy.</p>	

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.	<ul style="list-style-type: none"> • HPC has considered, approved and adopted the annual precept for the coming year in accordance with the required parent Authority timetable • budget reports are prepared and submitted to HPC periodically during the year with appropriate commentary on any significant variances • budget performance is reviewed during the year • HPC has considered the establishment of specific earmarked reserves • the precept received in the accounts matches the prior year submission form to the relevant authority and the public record of precepted amounts 		
E. Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.	Hall hire: an effective diary system for bookings is in place identifying the hirer	An appropriate control record should be maintained identifying the date(s) on which income is due and actually received / banked /hire times and ideally cross-referenced to invoices raised during the year.	
F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for	No petty cash held		

<p>G. Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.</p>	<ul style="list-style-type: none"> • a formal employment contract is in place • appropriate procedures are in place for the payment of members allowances and deduction of any tax liability <p>NB. The employers allowance is not available to parish councils.</p>	<p>Council should consider adoption of the latest SLCC/NALC model employment contract.</p>	
<p>H. Asset and investment registers were complete and accurate and properly maintained.</p>	<p>HPC is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of / no longer serviceable assets.</p>	<p>The register should identify the purchase cost and, if practicable, the replacement/ insured cost, the latter being updated annually and used to assist in forward planning for asset replacement. Additions and disposals records should allow tracking from the prior year to the current.</p>	
<p>J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income</p>	<p>HPC operates on a receipts and payments basis</p>		

and expenditure), agreed to the cashbook, 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 the prior year, it met the exemption criteria and correctly declared itself exempt.	NA		

<p>L. The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with the relevant legislation</p>	<p>IA has reviewed HPC's website ensuring that required documentation is published in accordance with the relevant legislation</p>	<p>The website requires an accessibility statement and privacy notice.</p> <p>The internal audit report, together with P3 of the AGAR, should be published on the website.</p> <p>Finance reports should be made available on the website and not restricted to cllrs through an internal system.</p> <p>Payments over £100 should be published on the website.</p> <p>Cllrs declarations should be published on the website although it is acceptable for a link to be provided to the local authority.</p> <p>A mailing address for the council should be provided on the home page of the website.</p>	
<p>M. The authority, during the previous year, correctly provided for the period for the</p>	<p>The required "Public Notice" ensuring that it clearly identifies the statutory 30 working day period for inspection must include the first 10 working days of July 2023.</p>	<p>It is recommended that HPC uses the dates provided by the external auditor for publication of public rights</p>	

exercise of public rights as required by the Accounts and Audit Regulations.	The notice was not published until 4/07/2023.	2024.	
N. The authority complied with the publication requirements for the prior year AGAR.	The statutory disclosure / publication requirements in relation to the prior year's AGAR have been met		
O. Trust funds (including charitable) - the Council met its responsibilities as a trustee	<ul style="list-style-type: none"> • all charities of which the council is a Trustee are up to date with CC filing requirements • the Charity meetings and accounts are recorded separately from those of the council 		