

HALEBANK PARISH COUNCIL

INTERNAL AUDIT 2024-25

YEAR-END REPORT

30th May 2025

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Internal Audit Forum
THE VOICE FOR LOCAL COUNCIL AUDIT

The internal audit of Halebank Parish Council has been carried out by undertaking the following tests as specified in the JPAG (Joint Panel on Accountability and Governance) latest guidelines 2024.

- 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 2024/25	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>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>C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of</p>	<ul style="list-style-type: none"> • The Council 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. 	<p>1. Increase the level of fidelity cover to a minimum of £50,000 to cover annual precept of £40,000 plus any additional income. This will need to be reviewed annually depending on</p>	

arrangements to manage these.	<ul style="list-style-type: none"> the level of fidelity cover is insufficient at £25,000 and should be increased accordingly. all summons to meetings should be signed and dated by the Clerk. 	<p>levels of income and reserves.</p> <p>2. Recommended to adopt an internal control policy.</p>	
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"> The Council has considered, approved and adopted the annual precept for the coming year in accordance with the required parent authority timetable IA informed that budget reports are prepared and submitted to HPC periodically during the year but there is no indication that an appropriate commentary on any significant variances is provided the precept received in the accounts matches the prior year submission form to the relevant authority and the public record of precepted amounts 	<p>3. Provide regular budget reports with explanation of variances. These reports should be documented in the minutes.</p> <p>4. Councillors must regularly check the bank reconciliation, checking invoices against payment list against the bank statements.</p>	
E. Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.	<ul style="list-style-type: none"> Income was received and properly recorded. VAT was appropriately accounted for and regular claims for VAT refund claimed. 		
F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and	No petty cash held		

VAT appropriately accounted for			
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.	<ul style="list-style-type: none"> • formal employment contracts are in place for all employees • appropriate procedures are in place for the payment of PAYE and NI requirements. 		
H. Asset and investment registers were complete and accurate and properly maintained.	<ul style="list-style-type: none"> • The Council is maintaining an asset register net of VAT and removing any disposed of / no longer serviceable assets. 	5. The council must review the asset register and formally resolve the value of the current assets.	
J. 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	<ul style="list-style-type: none"> • The Council operates on a receipts and payments basis. • On a receipts and payments basis, accounting is done only when cash is received or paid, not when it is incurred or earned. Therefore there should be no difference between box 7 & 8 on the AGAR. • The year end bank reconciliation is deducting an unreconciled cheque in the sum of £246.50. 	6. Remove the unreconciled cheque from the bank reconciliation and include in the 2025-26 accounts when cashed.	

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		
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	<ul style="list-style-type: none"> • IA has reviewed HPC’s website and established that information needs to be included on the website. • The following needs to be added to the website: Asset Register (including land and buildings), Meeting Papers and Reports for meetings including financial reports, separate listing of payment of items over £100, Website Accessibility Statement (legally required since September 2020), up to date Risk Assessment (version on website dated 2022). 	7. In addition to the statutory items listed it is recommended that the Council include FOI Publication Scheme on the website together with a list of charges.	
M. The authority, during the previous year, correctly provided for the	The required “Public Notice” identified the statutory 30 working day period for inspection included the first 10 working days of July 2024.		

<p>period for the exercise of public rights as required by the Accounts and Audit Regulations.</p>			
<p>N. The authority complied with the publication requirements for the prior year AGAR.</p>	<ul style="list-style-type: none"> • the statutory disclosure / publication requirements in relation to the prior year's AGAR have been partially met. • there is no evidence that Section 2 was approved by the council or dated by the Clerk prior to the meeting. The approval for Section 1 is provided in the minutes of 17/06/2024. 	<p>8. It is recommended that a separate agenda item be included to approve Section 2 of the AGAR.</p> <p>9. It is recommended that a separate agenda item be included to agree to dates for the Exercise of Public Rights.</p>	
<p>O. Trust funds (including charitable) - the Council met its responsibilities as a trustee</p>	<p>N/A</p>		