

Town Parish Audit
9 Butlers Wharf
Hebden Bridge
West Yorkshire
HX7 8AF

The Clerk
Harden Village Council
clerk@hardenvillagecouncil.gov.uk

19 April 2021

Dear Ken Eastwood

Internal Audit of the Accounts for Financial Year ending 31st March 2021

I am pleased to inform you that the internal audit for **Harden Village Council** is complete. There are no significant issues to report.

The tests and checks as per attached checklist were carried out.

Cashbook and bank reconciliation

The cashbook and bank reconciliation statement were agreed to the 31st of March 2021.

VAT claim

Evidence of appropriate VAT claims was provided.

Budget

The compilation of the Council's budget for the year was reviewed and I can confirm that it has been properly compiled and effectively underpins the precept demand. I can also confirm that progress against the budget is monitored on a regular basis.

Precept Demand

It is important to provide sufficient information in the minutes with regard to the precept. Note: As a minimum the total precept request figure should be recorded, not just the figure per band D household.

Minutes

The Council's minutes were reviewed. There was no evidence of unusual activity and they were paginated.

Insurance

Insurance cover is in place and is adequate for the major liabilities faced by the council.

Internal Controls

I confirm that I have carried out appropriate tests and checks on the accounts and internal controls as detailed on the accompanying Independent Internal Audit check list and found them to be satisfactory.

Annual Governance and Accountability Return 2020/21

I checked the figures in section 2 of the return and found them to be correct and ready for submission to the external auditor.

Appropriate explanations for the 2019-20 to 2020-21 variances were provided via the explanation of variances form and the additional information sheet.

For information:

Box F As there was no evidence of the use of petty cash this has been entered as “not covered”.

Box K As the authority had a limited assurance review of its 2019/20 AGAR this has been entered as “not covered”

Box L As the authority had an annual turnover exceeding £25,000 this has been entered as “not covered”

Box 9 (p5) Explanation for difference between 2019-20 and 2020-21. The auditor has been informed that historically Harden Village Council has depreciated its asset values annually. In addition, two seats were purchased in 2020/21.

Box N In relation to the External Audit Report and Certificate, The Auditor has been informed that in error the wrong document was placed on the website therefore this has been entered as a “No”. The correct document is now on the website.

I can confirm that all original and additional information requested was provided in an efficient, detailed and timely manner.

Yours sincerely



Naomi Goddard

Town Parish Audit
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Town Parish Audit – evidence required 1

Name of Council	Harden Village Council	Name of Clerk:	Ken Eastwood
No. of councillors	7	Name of RFO (if different)	
Quorum	3	Precept	37,035

1. Book Keeping			
1.1. Ledger maintained and up to date?	Yes		
1.2. Arithmetic correct?	Yes		
1.3. Evidence of Internal Control?	Yes		
1.4. VAT evidence, recording and reclaimed?	Yes		
1.5. Payments in ledger supported by invoices, authorised and minuted? (see schedule)	Yes		
1.6. S137 separately recorded and within limits?	Yes		
1.7. S137 expenditure of direct benefit to electorate?	Yes		
1.8. Does your council operate on a payments and receipts or income and expenditure basis?			Income & expenditure

2. Due Process			
2.1. Standing Orders adopted since 2013?	Yes		Standing Orders adopted when the council was formed and regularly updated since.
2.2. Standing Orders last reviewed?	Yes		Revised Standing Orders approved 11 June 2020 (Min. 6/06/20)
2.3. Financial Regulations adopted?	Yes		
2.4. FRs properly tailored to council?	Yes		NALC template tailored to suit e.g. spending limits as agreed by Council.
2.5. Equal Opportunities policy adopted?	Yes		Revised Equality Policy approved 11 June 2020 (Min. 6/06/20)
2.6. Adequate internal controls for payments?	Yes		
2.7. List of member interests held?	Yes		Councillors duty to inform Borough Authority Monitoring Officer. Registers of Interest are published on Village Council website.
2.8. Agendas signed, informative and displayed with 3 clear days notice?	Yes		
2.9. Purchase orders raised for all expenditure?	Yes		As appropriate
2.10. Purchasing authority defined in FRs?	Yes		
2.11. Legal powers identified in minutes and/or cashbook?	Yes		As appropriate
2.12. Committee terms of reference exist and have been reviewed?			N/A

3. Risk Management			
3.1. Does scan of minutes reveal any unusual activity?		No	
3.2. Annual risk assessment carried out?	Yes		Risk Management Policy & Assessment reviewed 11 June 2020 (Min. 6/06/20).
3.3. Insurance cover appropriate and adequate?	Yes		

3.4. Evidence of annual insurance review?	Yes		Reviewed by Clerk before annual renewal.
3.5. Internal financial controls documented and evidenced?	Yes		
3.6. Minutes initialled, each page identified and overall signed?			Each page is identified
3.7. Regular reporting and minuting of bank balance?	Yes		
3.8. S137 expenditure minuted?	Yes		

4. Budget			
4.1. Annual budget to support precept?	Yes		
4.2. Has budget been discussed and adopted by council?	Yes		
4.3. Any reserves earmarked?	Yes		Section 106 and CIL identified as EMR on the Balance Sheet.
4.4. Any unexplained variances from budget?		No	
4.5. Precept demand correctly minuted?			See report

5. Payroll – Clerk and other employees			
5.1. Contract of employment?	Yes		
5.2. Tax code issued / contracted out?	Yes		Bradford MDC manage payroll.
5.3. PAYE / NI/RTI evidence?	Yes		
5.4. Has council approved salary paid?	Yes		Min. 6/03EX/20
5.5. Other payments reasonable and approved by council?			N/A
5.6. Wageslips and P60 evidence?	Yes		

6. Payroll – Other			
6.1. Does council have public liability cover?	Yes		
6.2. Tax code(s) issued?	Yes		
6.3. Minimum wage/National Living Wage paid?	Yes		
6.4. Pension obligations met?	Yes		
6.5. Complaints procedure in place?	Yes		September 2019.

7. Asset Control			
7.1. Does council keep a register of all material assets owned?	Yes		
7.2. Is asset register up to date?	Yes		Updated 2021 yearend.
7.3. Value of individual assets included?	Yes		
7.4. Inspected for risk and up to date inspection records exist	Yes		
7.5. Record of deeds, articles and land register references available?			N/A

8. Bank Reconciliations			
8.1. Is there a bank reconciliation for each account?	Yes		
8.2. Reconciliation carried out on receipt of statement?	Yes		
8.3. Any unexplained balancing entries in any reconciliation?		No	

9. Miscellaneous			
9.1. Have points raised at the last audit been addressed?		No	N/A
9.2. Has the council adopted a Code of Conduct since July 2012?	Yes		April 2016 (Min. 18/0416).
9.3. Is eligibility for General Power of Competence properly evidenced?		No	
9.4. Are all electronic files backed up?	Yes		Backed up to the Cloud using Dropbox. Second backup held on encrypted USB drive.
9.5. Do arrangements for public inspection of council's records exist?	Yes		
9.6. Is the Council compliant with the Transparency Code for Smaller/Larger Authorities? (Depending on gross income/expenditure)	Yes		N/A
9.7. Is the Council responsible for any trust funds?		No	

Annual Internal Audit Report 2020/21

Harden Village Council

<https://hardenvillagecouncil.gov.uk>

During the financial year ended 31 March 2021, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2020/21 has been carried out in accordance with this 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 authority.

Internal control objective	Yes	No*	Not covered**
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.	✓		
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 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 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. (If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered")			✓
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.			✓
M. The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations (evidenced by the notice published on the website and/or authority approved minutes confirming the dates set).	✓		
N. The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).		✓	
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable
			✓

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

Date(s) internal audit undertaken

16/04/2021 18/04/2021

Name of person who carried out the internal audit

Naomi Goddard

Signature of person who carried out the internal audit



Date

19.04.2021

*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, the annual internal audit report must explain why not (add separate sheets if needed).