

**INTERNAL AUDIT REPORT  
HIGHER HURDSFIELD PARISH COUNCIL 2021/22**

The internal audit of the Council was carried out by undertaking the following tests as specified in the AGAR Annual Return for Local Councils in England:

1. Checking that books of account have been properly kept throughout the year
1. 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
1. Reviewing the Council's risk assessment and ensuring that adequate arrangements are in place to manage all identified risks
1. 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
1. 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
1. Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved and VAT is correctly accounted for
1. Checking that salaries to employees have been paid in accordance with Council approvals and that PAYE and NI requirements have been properly applied
1. Checking the accuracy of the asset and investments registers
1. Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
1. Year end testing on the accuracy and completeness of the financial statements

**Conclusion**

On the basis of the internal audit work carried out, which was limited to the tests indicated above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the issues reported in the action plan overleaf.

As part of the internal audit work for the next financial year we will follow up all recommendations included in the action plan.

**JDH Business Services Limited**

	ISSUE	RECOMMENDATION	FOLLOW UP
1	<p>Fixed asset issues:</p> <ul style="list-style-type: none"> <li>• The council appears to use insurance value as the method of valuation, however, the insurance value of bus shelters was increased in the year by £1000, but the corresponding value for the AGAR annual return was not increased by £1000.</li> <li>• Cheque number 917 for £273 related to the supply and installation of two sign posts. We could not identify these items as a 2021/22 addition in the fixed asset register.</li> </ul>	<p><i>The council should reviewed the fixed asset register and ensure it is up to date and includes the correct valuations for all assets.</i></p>	