



HALE PARISH COUNCIL
OF THE HALTON BOROUGH IN
THE COUNTY OF CHESHIRE



DATED THIS TWENTY THIRD DAY OF JUNE 2021
MEMBERS OF HALE PARISH COUNCIL ARE HEREBY SUMMONED
TO ATTEND THE EXTRA-ORDINARY COUNCIL MEETING OF
HALE PARISH COUNCIL
TO BE HELD AT 7.00PM ON THE TWENTY EIGHTH DAY OF JUNE 2021
IN HALE VILLAGE HALL, HIGH STREET, HALE L24 4AE
TO TRANSACT BUSINESS AS SHOWN IN THE AGENDA.

This meeting is to be held, adhering to the legislation of the Coronavirus Act 2020

Mr. Brian Hargreaves
Clerk and Responsible Financial Officer

Note to Councillors:

If you are unable to attend the meeting, please notify the Clerk of your apologies.

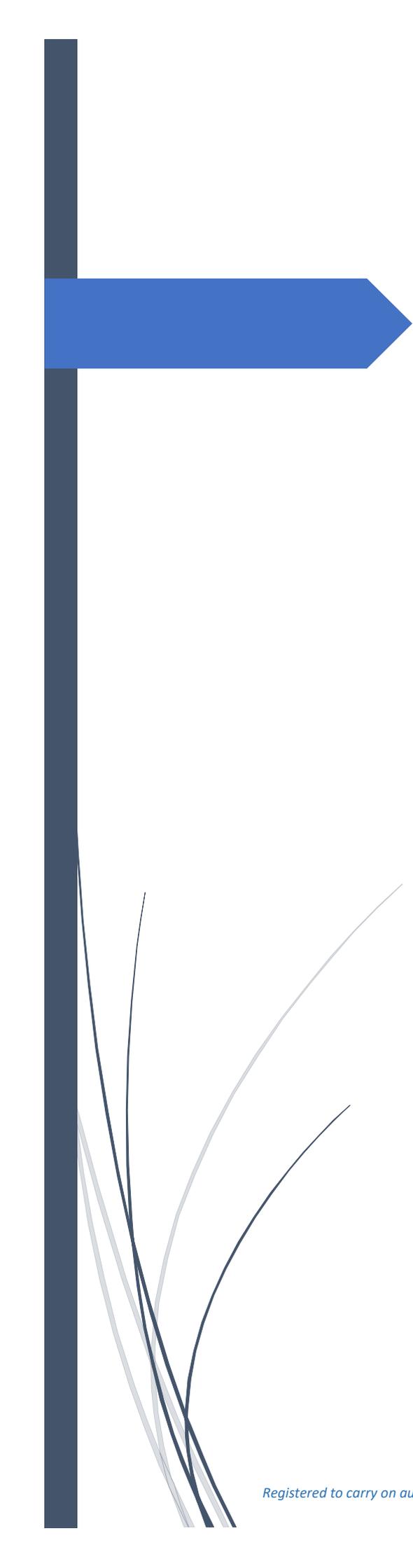
Please email: clerk@haleparishcouncil.gov.uk or call 07803611222

Note to Public

Members of the public wishing to address the Council should note that they must advise the Clerk before 10am on the day of the meeting both of their wish to participate in the public forum and their topic. If residents fail to inform the clerk prior to the meeting, permission to speak at the meeting will be at the discretion of the Chairman. All participants are restricted to a maximum of three minutes. If the public wish to ask the Council questions, please note that the Council may not be able to answer the question if the Council has not considered or resolved the question on an agenda item at a prior meeting. Should this be the case, the Council will advise correspondence with the Clerk to request the item should be discussed at a future Parish Council meeting. If the question is considered outside the remit of Hale Parish Council, residents will be referred to Halton Borough Council.

MEETING AGENDA

- 1. Apologies** – To Receive Apologies for absence
- 2. Declarations of Interest** – To Receive declarations of interest
- 3. Internal Audit Report** - To Receive the Internal Audit Report for Hale Parish Council 1st April 2020 – 31st March 2021
- 4. Governing Statement** To agree & sign the AGAR Governing statement for Hale Parish Council April 1st 2020 – 31st March 2021
- 5. Accounting Statement** - To agree & sign the AGAR Accounting statement for Hale Parish Council April 1st 2020 – 31st March 2021
- 6. Notice of Public Rights to Inspect** – To agree the period for Notice of Public Rights and publication of unaudited Annual Governance & Accountability Return for the year ending 31st March 2021.



Hale Parish Council

Internal Audit 2020/21

JDH BUSINESS SERVICES LTD

Registered to carry on audit work by the Institute of Chartered Accountants in England and Wales

INTERNAL AUDIT REPORT

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

- 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
- Reviewing petty cash records to ensure payments are supported by receipts, expenditure is approved 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
- Checking the accuracy of the asset and investments registers
- Testing the accuracy and timeliness of periodic and year-end bank account reconciliation(s)
- Year end testing on the accuracy and completeness of the financial statements
- Reviewing whether the council has met its responsibilities as a trustee

Conclusion

On the basis of internal audit work carried out, which was limited to the tests above, in our view the council's system of internal controls is in place, adequate for the purpose intended and effective, subject to the recommendations 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 | The council did not update, review and approve the risk assessment during 2020/21. | <i>The risk assessment should be updated, reviewed and approved by council each financial year.</i> | |
| 2 | The minutes do not clearly evidence that budgetary control reports are provided to the council quarterly for review, as required by the Financial Regulations. | <i>Budget monitoring should occur throughout the financial year and minutes should clearly evidence the review of budgetary control information</i> | |
| 3 | There are a number of errors in the AGAR accounts: <ul style="list-style-type: none"> - The instructions require all the figures to be rounded to nearest £1, however, this is not the case. - All boxes must be completed, even if a zero is required. - The fixed asset figure is incorrectly stated and does not agree to the asset register (as too many zeros have been included in the figure) | <i>The AGAR accounts should be amended as noted. A sense check of the AGAR accounts and a review to ensure it has been completed in accordance with requirements should be carried out before submitting the AGAR for internal audit.</i> | |
| 4 | The council is sole trustee to a charity. However, review of the Charity Commission website shows that a number of year's annual returns are outstanding. | <i>Annual returns to the Charity Commission for the sole trustee charity should be brought up to date and submitted to the Charity Commission.</i> | |

INTERNAL AUDIT REPORT

| | ISSUE | RECOMMENDATION | FOLLOW UP |
|-------------------------------|--|--|---|
| | No evidence was provided that the council met as sole trustee twice in the financial year as required by the charity deed. | <i>The council should provide evidence annually to the internal auditor that at least two meeting of the council as sole trustee have been held in the financial year.</i> | |
| 2019/20 internal audit | | | |
| 1 | The council did not comply with Regulation 15 of the Account and Audit Regulations 2015 as it failed to make proper provision for the exercise of public rights in Summer 2019 for the 2018/19 accounts as the approval date of the accounts in the AGAR annual return was after the start date of the period for the exercise of public rights. | <i>The council must ensure that it makes proper provision for the exercise of public rights for every financial year</i> | Implemented |
| 2 | The council made a number of payments earlier in the financial year via a Debit Payments Card. After the review of our 2018/19 internal audit report at the end of August 2019, usage of a debit card ceased. The Financial Regulations do not authorise the use of a Debit Payment Card. Therefore, there were no regulations in place setting the control procedures for the use of the Debit Card. including setting a maximum transaction limit, authorising | <i>Financial Regulations must always be updated to authorise the use of a new form of payment such as a Debit Card. Should a debit card, credit card or other payments card be considered for use in the future, the Financial Regulations must be updated to establish the internal controls over the use of the council payment card . These controls should ensure there is a transaction limit placed on the card as well as a monthly and annual limit.</i> | NB this is a recommendation for any potential future use of a payments card. Our 2018/19 recommendation regarding the Debit Card was implemented during 2019/20 as use of a Debit Card ceased. |

INTERNAL AUDIT REPORT

| | ISSUE | RECOMMENDATION | FOLLOW UP |
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| | procedures for payments, and a maximum monthly and annual limit. | | |
| 3 | <p>Fixed Assets:</p> <ul style="list-style-type: none"> • Expenditure testing identified purchases of benches and a sewing machine in 2019/20, however, these additions could not be identified in the fixed asset register. • The asset register does not contain a column for date of purchase (month and year), therefore, it is difficult to identify in which financial year additions and disposals occurred. • Community assets are valued at £nil, however, the Practitioner's Guide requires all assets to have a value of at least £1: 'In the special case where an authority receives an asset as a gift at zero cost, for example by transfer from a principal authority under a community asset transfer scheme, the asset should be included in the asset register with a nominal one pound (£1) value as a proxy for the zero cost.' • The valuation method of the village hall has changed from cost to | <p><i>The council need to review the 2019/20 fixed asset register and ensure that all capital items that are fixed asset additions and that are owned by the council are included in the asset register. The council need to review capital expenditure annually and update the asset register for capital items that are fixed assets (ie have a useful life of in excess of one year) which are owned by the council.</i></p> <p><i>The asset register format should be improved by adding month as well as year of purchase.</i></p> <p><i>The asset register should be amended to record community assets at £1 value each.</i></p> <p><i>The Council need to review the asset register and disclose the correct value in the Annual Return which should equate to the value for fixed assets disclosed in the 2018/19 annual return plus additions at cost less disposals at carrying value,</i></p> | <p>NB The council have updated the asset register and included the revised fixed asset value in the final 2019/20 AGAR</p> |

INTERNAL AUDIT REPORT

| | ISSUE | RECOMMENDATION | FOLLOW UP |
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| | <p>insurance value. The practitioner's guide states 'Where an authority changes its method of asset valuation during a financial year, it will need to restate the prior year's figure in Line 9 of the Annual Governance and Accountability Return.'</p> | <p><i>unless there is a council resolution that supports the changes that have been made to the fixed asset accounting policy. If the council has authorised a change in valuation policy then the prior year comparative will also need to be changed.</i></p> | |