



TOWN AND PARISH COUNCIL INTERNAL AUDIT TESTING
 REDMIRE PARISH COUNCIL
 INTERNAL AUDIT REPORT
 RFO: CHARLOTTE SMITH

AUDIT CONDUCTED OFF SITE USING DIGITAL COPIES OF FILES

PERIOD ENDING: 31ST MARCH 2022

Internal Control	Suggested Testing	Findings	Recommendation
Proper Bookkeeping	Is cashbook maintained and up to date?	Yes	
	Is cashbook arithmetically correct?	Yes	
	Is the cashbook regularly balanced?	Yes. However, not historically. Clerk has reviewed accounts for the 2021/22 year and corrected the cashbook	
A) Standing Orders and Financial Regulations adopted and applied; AND B) Payment Controls	Has the council formally adopted standing orders and financial regulations?	Standing orders adopted 2016 and need a significant update. No financial regulations	Charlotte Smith has advised that both of these requirements are on the to do list
	Has a Responsible financial officer been appointed with specific duties?	Yes, Charlotte Smith appointed March 22 with an NJC standard contract in place	

	Have items or services above the de minimus amount been competitively purchased?	No. They only have a grass cutting contract and this has been held by the same provider for some time	Objectively review the contract and see if it is still competitive. This is to ensure the use of public funds is being put to good use.
	Are payments in the cashbook supported by invoices, authorised and minuted?	No payment approvals minuted. There are some payments in the cashbook made by cheque without the cheque stub being completed and therefore unable to confirm to whom the payment was made	Ensure payments are minuted
	Has VAT on payments been identified, recorded and reclaimed?	N/A	
	Is s137 expenditure separately recorded and within statutory limits?	No S137 listed	Please ensure of there is any expenditure in the future is listed in a separate column on the cashbook
Risk Management Arrangements	Does a review of the minutes identify any unusual financial activity?	No. However, minutes are incomplete and need an overhaul	Review structure of minutes and update
	Do minutes record the council carrying out an annual risk assessment?	No evidence risk assessments completed	Please ensure a yearly financial risk assessment is completed going forward and that risk assessments are completed with regards any assets that may be at risk
	Is insurance cover appropriate and adequate?	Yes	

	Are internal financial controls documented and regularly reviewed?	No internal controls	Along with the update of the financial regulations please ensure the internal controls agreed in the financial regs are completed
	(Burial Authorities only) Is the Council aware of the Ministry of Justice guidance on "Managing the Safety of Burial Ground Memorials"	n/a	
Budgetary Controls	Has the council prepared an annual budget in support of its precept?	No evidence of a budget being completed	Budgeting required to ensure the precept required is correct and that public funds are being put to adequate use
	Is actual expenditure against the budget regularly reported to the council?	No evidence of regular review against budget	
	Are there any significant unexplained variances from budget?	Yes, a standard PKF variance report has been provided and highlighted that in previous years the housing had not been included	
Income Controls	Is income properly recorded and promptly banked?	Yes	
	Does the precept recorded agree to the Council Tax authority's notification?	No.	

	Are security controls over cash and near-cash adequate and effective?	There is only a very small amount of petty cash and petty cash will not be held in the future	
Petty Cash Procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	There is only a very small amount of petty cash and petty cash will not be held in the future	
	Is petty cash expenditure reported to each council meeting?	There is only a very small amount of petty cash and petty cash will not be held in the future	
	Is petty cash reimbursement carried out regularly?	There is only a very small amount of petty cash and petty cash will not be held in the future	
Payroll Controls	Do all employees have contracts of employment with clear terms and conditions?	Yes	
	Do salaries paid agree with those approved by the council?	As per other payments salaries	
	Are other payments to employees reasonable and approved by the council?	Yes	
	Have PAYE/NIC been properly operated by the council as an employer?	Yes	
Asset Control	Does the council maintain a register of	Yes	

	all material assets owned or in its care?		
	Are the assets and Investments registers up to date?	Yes	
	Do asset insurance valuations agree with those in the asset register?	Yes	
Bank Reconciliation	Is there a bank reconciliation for each account?	Yes. One reconciliation encompassing 2 accounts	
	Is a bank reconciliation carried out regularly and in a timely fashion?	Up until recently bank reconciliations had not been carried out on a regular basis	
	Are there any unexplained balancing entries in any reconciliation?	No	
	Is the value of investments held summarised on the reconciliation?	No investments	
Year End Procedures	Are year end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes	

	Do accounts agree with the cashbook?	Yes	
	Is there an audit trail from underlying financial records to the accounts?	Yes	
	Where appropriate, have debtors and creditors been properly recorded?	Yes	
Other Issues	Is the Council registered with the Information Commissioner?	Not registered with ICO	Please complete the questionnaire on the ICO website to confirm whether ICO reg is required
	What arrangements does the Council have for the back up of computer files?	Use One Drive	
	Does the Council have responsibility for any Trust Funds? If so, are they independently examined?	No Trust funds	
	Any other issues that are worthy of reporting.	n/a	