

DM PAYROLL SERVICES LTD
INTERNAL AUDIT REPORT
ALBRIGHTON PARISH COUNCIL

Date of Report: 24th April 2020

A. Appropriate books of account

Appropriate books of account have been kept during the year. The council has used RBS accounting software, the books are kept up to date and there is evidence that the accounts are balanced monthly.

B. Financial Regulations

There is an audit trail of payment samples picked. Payments were supported by receipts or invoices and payment schedules were reported to meetings. Cheque stubs were completed as per the payment and initialed by one signatory. Please note the financial regulations make reference to both signatories initialing the cheque stubs, therefore can the authorised signatories be reminded to do this.

There was evidence of quotations and tenders for works being compared and options being put to meetings during the procurement process.

VAT was appropriately accounted for VAT reclaimed approximately quarterly.

C. Risk Assessments

The financial risk assessment was last reviewed in February 2019 and was next due to be reviewed during April 2020, but this was not possible due to the cancellation of the April parish council meeting. I am satisfied that the risk assessment was worked on during the year and improvements have been made to it, for example a professional fire risk assessment was carried out and valuations obtained to meet insurance purposes; it is important that the risk assessment is reviewed by the council during each year and the fact minuted. It would be prudent to schedule into the meeting calendar to include the risk review around the July meeting, this will be after the year end is completed, the annual parish meetings are out of the way and before the budgeting process begins.

The council's insurance cover includes public liability, employer's liability and employee dishonesty and is adequate for the council's needs.

The council's computer is backed up on an external hard disc and kept separate from the computer network.

D. Precept

The budget and precept was considered and approved by full council.
The amount precepted was received and paid into the bank.

Financial monitoring reports of actual receipts and payments compared against the budget are provided to committee and council meetings on a regular basis.

E. Income

Income is mainly received from the Flyer community bus service, some meeting room hire, subsidies and a small amount from the library.

In relation to the Flyer, work sheets are completed itemising cash received and this is handed to the office with the cash at the end of the week. The cash amounts are totaled and written on the sheets. The income is usually banked weekly and therefore there is an easy audit trail to follow the cash received on the work sheets to the accounting records and to the bank paying books and then into bank accounts. There are one off bookings for the Flyer, in this case a booking form is completed, on the samples picked the audit trail was present from receipt to accounting records and payment into the bank.

There were no unusual receipts during the year. Interest has been recorded in the accounting records

F. Petty Cash

Petty cash is used appropriately for smaller purchases. A random sample of purchases were reviewed, and receipts were present for each purchase. The petty cash is topped up regularly.

G. PAYE

The PAYE is administered by Shropshire Council. The pay rates were as per the approved scales. Overtime for the clerk is authorised by a councillor and any other staff members overtime authorised by the clerk

Eligible members of staff have been enrolled into the LGA pension scheme.

Expenses were receipted or recorded on mileage forms and were reasonable.

H. Assets

The parish council maintains an asset register which has been reviewed during the year. Please ensure all new assets purchases during the year are included in the asset register and that the updated asset figure is included on the annual return.

The council is aware the general reserves are high but has noted there is a possibility of a reducing subsidy over the next few years.

I. Bank reconciliations

The bank accounts are reconciled to the accounting records monthly. I have confirmed the closing amounts as per the bank reconciliations agree to the closing bank statements. The receipts and payments figures on the bank reconciliation statement can be traced back to the software generated Receipts and Payments report.

J. Accounting Statements

The parish council prepares the accounting statements on a receipts and payments basis. Although the final accounts have not yet been prepared at the date of this report, there will be no year end adjustments (debtors, creditors, accruals and prepayments) and therefore will be straightforward to produce.

General

In general, the council procedures are well organised and the accounting records are sound.

I would like to thank your clerk, Shirley Reynolds, for her assistance in the internal audit review.

Diane Malley

Diane Malley MAAT