

DM PAYROLL SERVICES LTD

INTERNAL AUDIT REPORT

ALBRIGHTON PARISH COUNCIL

Date of Report: 6th April 2021

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 and recorded in the minutes.

The Christmas lights contract had been rolled over one additional year due to Covid 19 restrictions. The market should be tested for Christmas lights 2021 as per the financial regulations.

VAT was appropriately accounted for VAT reclaimed approximately quarterly.

C. Risk Assessments

The risk assessment was reviewed during the year by the council and this was minuted.

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 were considered and approved by full council. Please record the actual amount of precept in the minutes for transparency purposes.

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 precept, CIL money, the Flyer community bus service, subsidies and a small amount from the library.

In relation to the Flyer, work sheets are completed itemising cash received. During the previous year, the cash sheets were handed to the office with the cash at the end of the week. However, during the year under review, this was not always happening and the cash sheets were sometimes handed to a councillor or put in an envelope posted through the letterbox. For the protection of the driver, other staff members and councillors it is important the cash sheets and cash are brought to the office by the driver so the cash amount can be agreed in the driver's presence. Under the current system, if there were to be a discrepancy in the cash amount it would be difficult to identify the cause of the discrepancy and this may lead to suspicions arising.

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When the cash sheets are received, 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. A sample of cash sheets were tested and all were traced back into the accounting records and the bank account.

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

F. Petty Cash

There was only one item of petty cash expenditure during the year which was properly receipted.

G. PAYE

The PAYE is administered by Shropshire Council. The pay rates were as per the approved scales.

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 is now due for review. Please ensure all new assets purchased 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 agreed the closing amounts as per the bank reconciliations to the closing bank statements up to the end of February. The year end bank reconciliation had not taken place at the date of my visit.

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