



TOWN AND PARISH COUNCIL INTERNAL AUDIT TESTING
THORNTON LE DALE PARISH COUNCIL
INTERIM INTERNAL AUDIT REPORT
RFO: EMMA DOUGLAS-SMITH

AUDIT CONDUCTED OFF SITE USING DIGITAL COPIES OF FILES

PERIOD ENDING: 31ST OCTOBER 2021

Internal Control	Suggested Testing	Findings	Recommendation
Proper Bookkeeping	Is cashbook maintained and up to date?	Yes.	
	Is cashbook arithmetically correct?	Yes. Cashbooks held in Excel	
	Is the cashbook regularly balanced?	Yes, monthly reconciliations undertaken	
A) Standing Orders and Financial Regulations adopted and applied; AND B) Payment Controls	Has the council formally adopted standing orders and financial regulations?	Yes. But this is currently under review and likely to be finalised during the 7 th December PC meeting	
	Has a Responsible financial officer been appointed with specific duties?	Yes Emma Douglas-Smith has been appointed RFO. She has a contract and a current job description.	

	Have items or services above the de minimus amount been competitively purchased?	A minimum of 3 quotes are obtained for large expenditure items.	
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes	
	Has VAT on payments been identified, recorded and reclaimed?	Yes	
	Is s137 expenditure separately recorded and within statutory limits?	No grants awarded in the period	
Risk Management Arrangements	Does a review of the minutes identify any unusual financial activity?	No unusual activity detected	
	Do minutes record the council carrying out an annual risk assessment?	Risk assessments need to be reviewed. Not minuted other than COVID related assessments	Risk Assessment/Policy Sub-Committee of Councils to be formed.
	Is insurance cover appropriate and adequate?	1 year policy for period ending 28 th November 22 seen. £981.73 paid. Employers & Public Liability £10m.	
	Are internal financial controls documented and regularly reviewed?	Bacs is Dual authorisation and invoices/payments approved and matched against bank statements. Standing orders and financial regulations in place.	
	(Burial Authorities only) Is the Council aware of the Ministry of Justice guidance on	n/a Thornton Le Dale is not a Burial Authority. RFO checks headstones for topple test every month but have now joined ICEM.	

	"Managing the Safety of Burial Ground Memorials"		
Budgetary Controls	Has the council prepared an annual budget in support of its precept?	Comprehensive exercise undertaken to calculate the precept requirements – at the Dec 20 meeting a precept of £45,000 was set for 2021/22	
	Is actual expenditure against the budget regularly reported to the council?	No explicit discussion made at meetings but RFO keeps a close eye on expenditure vs budget. Financial Reg state a list of payments and income must be included in each set of agenda & minutes. Items such as payroll and expenses can say "payroll" & "expenses" to ensure personal information remains secure.	Suggest comparison to Budget minuted quarterly. HIGH: Add list of payments to minutes. Per Financial Regs 5.2
	Are there any significant unexplained variances from budget?	No unexpected large expenditure items at the time of the interim audit. This will be analysed further at full year end audit	
Income Controls	Is income properly recorded and promptly banked?	Yes	
	Does the precept recorded agree to the Council Tax authority's notification?	Yes. Copy of paperwork seen	
	Are security controls over cash and near-cash adequate and effective?		
Petty Cash Procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	n/a	

	Is petty cash expenditure reported to each council meeting?	n/a	
	Is petty cash reimbursement carried out regularly?	n/a	
Payroll Controls	Do all employees have contracts of employment with clear terms and conditions?	1 employee with a contract and current job description	
	Do salaries paid agree with those approved by the council?	Yes, new clerk appointed. Salaries are consistent throughout the year, agreed in monthly minutes and track through the bank account correctly	
	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 all material assets owned or in its care?	Yes. Register held in a Word document and is fairly basic. I believe there are items missing such as the Grit Bin discussed at the Apr 21 meeting	Full review of assets required. Suggest an Asset Sub-Committee be assembled from the Council
	Are the assets and Investments registers up to date?	See above comment	
	Do asset insurance valuations agree with those in the asset register?	Policy doesn't state assets specifically but damage to assets is included	

Bank Reconciliation	Is there a bank reconciliation for each account?	Yes. 2 bank accounts. Current and Reserves which are mostly earmarked for street lighting projects.	
	Is a bank reconciliation carried out regularly and in a timely fashion?	Reconciliations carried out and then periodically checked by Councillors	
	Are there any unexplained balancing entries in any reconciliation?	No	
	Is the value of investments held summarised on the reconciliation?	n/a no investments.	
Year End Procedures	Are year end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	n/a for interim audit	
	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?	Yes. Registration: ZB257289. However, it transpired early on in the Interim Audit that the Council was without ICO cover for a year due to lack of reminder from ICO.	RFO to ensure record of renewal date is diarised.



	What arrangements does the Council have for the back up of computer files?	Yes. Backup to USB back drive. Backup and Laptop kept in same location. Per Financial Regs data must be kept in two secure and separate locations	HIGH: using Cloud storage to safeguard information. Financial Regs 6.13
	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.	No	