

DM PAYROLL SERVICES LTD
INTERNAL AUDIT REPORT MUCH
WENLOCK TOWN COUNCIL

Date of Report: 13 May 2022

I have completed the internal audit review for Much Wenlock Town Council. I have carried out tests on the systems in place and have reviewed the internal controls. I confirm I have acted independently; the basis of the internal audit is by selective assessment of compliance with relevant procedures and controls. Please present this report to the council.

A. Appropriate books of account

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

Financial regulations were reviewed in April 2021. There is evidence of quotations being sought for purchases in excess of £3,000 as per the financial regulations.

VAT was accounted for in the accounting records and quarterly VAT reclaims submitted.

C. Risk Assessments

The risk assessment has been carried out and reviewed by the Finance and Asset Committee in March 2022.

The council's insurance policy has been updated to increase the cover for the memorial hall.

The computer data is backed up electronically.

D. Precept

The council considered its budget requirements for the year and set the precept at a full council meeting.

Financial monitoring reports of actual income and expenditure compared against the budget are provided to the Finance & Asset Management Committee at each meeting.

E. Income

Sample testing took place of income received and all receipts could be traced back into the bank. There was no unusual income received during the year.

F. Petty Cash

Petty cash is used appropriately, all samples tested were supported by receipts and are included in the accounts.

G. PAYE

PAYE is carried out using HMRC Basic Tools. The NJC pay award and back pay had been implemented in March 2022.

H. Asset Register

The council maintains an asset register, there had been no purchases or disposals of assets during the year.

I. Bank reconciliations

Bank reconciliations are carried out monthly and are regularly presented to the Finance & Asset Management Committee for review. I have agreed the bank reconciliation statements to the cashbook and bank statements as at 31 March 2022.

J. Accounting Statements

The council prepares the accounting statements on an Income and Expenditure basis. I have been able to follow the year end adjustments back to the actual receipts and payments.

K. Exemption

The council did not declare itself exempt from limited assurance audit during 2020/21.

L. Transparency Code

The council's turnover exceeds £25,000 and therefore this was not tested.

M. Public Rights

The notice for the public rights for the 2020/21 year was correctly displayed.

N. Publication Requirements

The council has complied with the publication requirements for the 2020/21 AGAR, these documents can be found on the council website.

Reserves

The general reserves do remain low, the guidance in accordance with the Practitioners' Guide states the general reserve should be maintained at between three and twelve months net revenue expenditure. Consideration needs to be given to this when planning any future projects and also when considering the budget requirements for forthcoming year.

General

In general, the accounting records are well kept and organised. I would like to thank your clerk, Trudi Barrett, and RFO, Diane Barlow, for their assistance in the internal audit review.

Yours sincerely

Diane Malley

Diane Malley M.A.A.T.