

# **Roydon Parish Council**

Internal Audit Report  
For Roydon Parish Council  
Financial Year 21/22

Prepared by Malcolm Pearson 15<sup>th</sup> July 2022

I have completed an internal audit of the accounts for Roydon Parish Council for the year ending 2022.

My findings are detailed below using the tests provided in the **Governance and Accountability (England) 2020**.

Internal control	Test	Observations
Proper bookkeeping	Is the cashbook maintained and up to date?	Yes
	Is the cashbook arithmetically correct?	Yes
	Is the cashbook regularly balanced?	Yes
Standing Orders, Financial Regulations and payment controls	Has the council formally adopted Standing Orders and Financial Regulations?	Yes
	Date Standing Orders last reviewed	Not found
	Date Financial Regulations last reviewed	Not found
	Has a Responsible finance officer been appointed with specific duties?	Yes
	Have items or services above the de-minimus amount been competitively purchased?	Yes
	Are payments in the cashbook supported by purchase orders, invoices, authorised and minuted?	Yes
	Has VAT on payments been identified, recorded and reclaimed?	Yes
	Is s137 expenditure separately recorded and within statutory limits?	Yes
	Have S137 payments been approved and included in the minutes as such?	Yes
Risk management arrangements	Does a review of the minutes identify any unusual financial activity?	No
	Do minutes record the council carrying out an annual risk assessment or review of their risk management scheme?	Yes

Internal control	Test	Observations
	Is insurance cover appropriate and adequate?	Yes
	Are internal financial controls documented and regularly reviewed?	Yes
Budgetary controls	Has the council prepared an annual budget in support of its precept and has this been minuted as being approved?	Yes
	Has the precept been calculated from the budget and been approved?	Yes
	Does the budget include an actual completed year?	Yes –
	Is actual expenditure against budget regularly reported to the council?	Yes
	Are there any significant unexplained variances from budget?	No
Income controls	Is income properly recorded and promptly banked?	Yes
	Does the precept recorded agree to the Council Tax authority's notification?	Yes
	Are security controls over cash and near-cash adequate and effective?	N/A No cash kept
Petty cash procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	As above
	Is petty cash expenditure reported to each council meeting?	As above
	Is petty cash reimbursement carried out regularly?	As above
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?	n/a
	Are salaries above the National Living Wage/Minimum Wage?	n/a

Internal control	Test	Observations
	Are other payments to employees reasonable and approved by the council?	Yes
	Have PAYE/NIC been properly operated by the council as an employer?	N/a
Asset controls	Does the council maintain a register of all material assets owned or in its care?	N/a
	Are the assets and Investments registers up to date? When were these last reviewed?	N/a
	Do asset insurance valuations agree with those in the asset register?	N/a
Bank reconciliation	Is there a bank reconciliation for each account and is this reported to council?	Yes
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes
	Are there any unexplained balancing entries in any reconciliation?	No
	Is the value of investments held summarised on the reconciliation?	Yes
Year-end procedures	Are year-end accounts prepared using the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes
	Do accounts agree with the cash book?	Yes
	Has a year-end bank reconciliation been undertaken?	Yes
	Is there an audit trail from underlying financial records to the accounts?	Yes
	Where appropriate, have debtors and creditors been properly recorded?	N/A
Procedural	Is eligibility for the General Power of Competence properly evidenced?	Yes
	Have points raised on the last Internal Audit report been considered by council and actioned?	Yes

Internal control	Test	Observations
Transparency: For smaller councils with turnover under £25,000	Minutes for whole year on website?	Yes
	Agendas for whole year on website?	Yes
	Payments over £100 detailed on website?	Yes
	Electors' rights advertised on website?	Yes
	Councillors' responsibilities detailed on website?	Yes
	Last financial year's AGAR on website?	Yes
	Land and building assets details on website? (Description, location, owner/leaseholder, date and cost of acquisition and present use)	N/a
General Data Protection Regulation	Has the Council put in place a privacy notice and policy?	Not Found

**Summary of my recommendations:**

I have undertaken an Internal Audit using the tests recommended in Governance & Accountability 2020. I have answered all applicable boxes with a YES,

I would make the following advisory recommendations:

- A privacy notice and policy is placed on the website

Malcolm Pearson MBE, CIMA (retired member)