



DM PAYROLL SERVICES LTD

7 New Road
Far Forest
Kidderminster
Worcestershire
DY14 9TQ

Tel: 01299 269188
Mobile: 07967 857397
Email: diane@dmpayrollservices.co.uk
www.dmpayrollservices.co.uk

25th April 2020

Cleobury Mortimer Town Council
Cleobury Country Centre
Love Lane
Cleobury Mortimer
DY14 8PE

Dear Chairman

Internal Audit for Cleobury Mortimer Town Council

I have now completed the internal audit for Cleobury Mortimer 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.

A. Appropriate books of account

Appropriate books of account have been kept during the year. The council has used a spreadsheet to record the books of account, the books are kept up to date and there is evidence they are balanced regularly.

B. Financial Regulations

There is an audit trail of all payment samples picked. Financial Regulations were met, payments were supported by receipts or invoices and payments were reported to meetings.

There was evidence of quotations being sought during the procurement process.

VAT was accounted for and a reclaim was made.

C. Risk Assessments

There are a number of risk assessments which are updated routinely and reported to the council through the clerk's reports. Please ensure the risk assessment document is formally reviewed by council annually and this is minuted.

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

D. Precept

The precept was set after the finance committee considered its budget requirements for the year and subsequently approved at a full council meeting.

There is evidence of financial monitoring reports being provided to the finance committee regularly.

E. Income

There were no unusual receipts during the year. There were some cash receipts made during the year and a carbonated receipt book was used to provide receipts. It would strengthen the internal controls if the top copy of the receipt is given to the payee and a separate receipt given to each payee. The council will then use the carbonated copy as the record of receipt.

Interest received was recorded in the cashbook. There were no unusual receipts during the year.

F. Petty Cash

Petty cash is used and expenditure is reported with payments and accounts quarterly. There was one item of expenditure that was high for petty cash which was a payment made for £60 for the PA system for the festival, there was an invoice for this and it would be expected this invoice to be paid in the usual manner.

G. PAYE

The PAYE is administered by a third party. Staff salaries are agreed in confidential minutes. There were some overtime payments which were recorded on a time sheet and approved by signature.

Eligible members of staff have been enrolled into a qualifying pensions scheme.

H. Asset Register

The parish council maintains an updated asset register which has been reviewed during the year.

I. Bank reconciliations

There is evidence in the Finance minutes that bank reconciliations are carried out regularly.

I have recalculated the year end bank reconciliation and confirm it is correct.

J. Accounting Statements

The parish council prepares the accounting statements on a Receipts and Payments basis and agrees to the cashbook.

General

It would improve internal audit controls if all minute pages are signed or initialled by the Chairman of the meeting in addition to the last page of the minutes. This would make it harder for an alternative minute to be inserted at a later date.

In general, the accounting records are well kept. I would like to thank Dorothy McBride and Matthew Sheehan for their assistance in the internal audit review and enclose my invoice for your attention.

Yours sincerely


Diane Malley MAAT