



# DM PAYROLL SERVICES LTD

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28th April 2021

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 several risk assessments which are updated routinely and reported to the council through the clerk's reports. The risk assessments cover physical items as well as events. There are other risks to the council that should also be considered such as governance, record keeping and HR matters. There are model risk assessments available that include these items available from SLCC/NALC and these should be integrated into the risk review process.

The financial regulations state that the risk policy statements and consequential risk management arrangements shall be reviewed by council at least annually. Therefore, 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.

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

#### **F. Petty Cash**

Petty cash is used appropriately and expenditure is reported with payments and accounts to the Finance Committee.

#### **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 agrees to the cash book and bank statement.

#### **J. Accounting Statements**

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

#### **K. Exemption**

The council did not declare itself exempt from limited assurance audit during 2019/20.

#### **L. Transparency Code**

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

#### **M. Public Rights**

The council had correctly published on the website a notice providing for the period for the exercise of public rights as required by the Accounts and Audit Regulations for the 2019/20 period.

**N. Publication Requirements**

The council has complied with the publication requirements for the 2019/20 AGAR, these documents can be found on the council website,

**General**

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

A handwritten signature in cursive script that reads "Diane Malley".

Diane Malley MAAT