

DM PAYROLL SERVICES LTD
INTERIM INTERNAL AUDIT REPORT
MUCH WENLOCK TOWN COUNCIL

Date of Report: 18 January 2022

I have undertaken an interim 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.

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 is due to be reviewed and this will be examined by me after the year end.

The council's insurance policy includes building insurance for the buildings owned by the Town Council. The re-instatement value insured for the memorial hall is less than the valuation in the Balfours valuation report, the insurance value needs to be increased in line.

Insurance value - £291,000

Balfours re-instatement value - £598,096

D. Precept

The council had not yet agreed the budget and precept requirements for the 2022/23 financial year, this will be reviewed at the end of the year.

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. There were little to no expenses paid to employees, only occasional mileage reclaims.

H. Asset Register

I will review the asset register at the year end.

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 30 November 2021.

J. Accounting Statements

This will be reviewed at the year end.

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

Reserves will be reviewed at year end.

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.