



TOWN AND PARISH COUNCIL INTERNAL AUDIT TESTING
 LEYBURN TOWN COUNCIL
 INTERNAL AUDIT REPORT
 RFO: CHARLOTTE SMITH

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PERIOD ENDING: 31ST MARCH 2022

Internal Control	Suggested Testing	Findings	Recommendation
Proper Bookkeeping	Is cashbook maintained and up to date?	Yes	
	Is cashbook arithmetically correct?	Yes	
	Is the cashbook regularly balanced?	Scribe is a self balancing system.	
A) Standing Orders and Financial Regulations adopted and applied; AND B) Payment Controls	Has the council formally adopted standing orders and financial regulations?	Standing Orders reviewed 4 th may Financial Regulations reviewed 4 th May Code of Conduct reviewed and new COC approved Apr 21	
	Has a Responsible financial officer been appointed with specific duties?	Yes	

	Have items or services above the de minimus amount been competitively purchased?	Yes, a tender process is in place	
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes	
	Has VAT on payments been identified, recorded and reclaimed?	Yes, quarterly returns	
	Is s137 expenditure separately recorded and within statutory limits?	No S.137 expenditure indicated within Scribe	
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?	Risk Assessments discussed and agreed during the Feb 22 meeting	
	Is insurance cover appropriate and adequate?	Leyburn has cover under several insurance policies i.e Employers Liability, Legal, Employment Legal Protection, Liabilities as well as a Combined policy which covers assets and business interruption	
	Are internal financial controls documented and regularly reviewed?	Yes. Finance controls are robust	

	(Burial Authorities only) Is the Council aware of the Ministry of Justice guidance on "Managing the Safety of Burial Ground Memorials"	Yes, Leyburn is a Burial Authority, is aware of Safety guidance and has now become a member of BRAMMS as agreed in April 21 meeting	
Budgetary Controls	Has the council prepared an annual budget in support of its precept?	Yes, budget agreed in Jan 22 meeting where precept of £62102.55 was also agreed	
	Is actual expenditure against the budget regularly reported to the council?	Performance to budget agreed at every council meeting	
	Are there any significant unexplained variances from budget?	Yes,	
Income Controls	Is income properly recorded and promptly banked?	The Council uses online banking therefore there is no delay in recording and banking	
	Does the precept recorded agree to the Council Tax authority's notification?	Yes	
	Are security controls over cash and near-cash adequate and effective?	No cash is handled	

Petty Cash Procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	n/a	
	Is petty cash expenditure reported to each council meeting?	n/a	
	Is petty cash reimbursement carried out regularly?	n/a	
Payroll Controls	Do all employees have contracts of employment with clear terms and conditions?	Yes, both clerks have NJC contracts with job descriptions detailing specific duties	
	Do salaries paid agree with those approved by the council?	Yes	
	Are other payments to employees reasonable and approved by the council?	Yes. These are minimal and agreed during meetings.	
	Have PAYE/NIC been properly operated by the council as an employer?	Small difference between payment vs P32 report from payroll. This has been attributed to bank charges as PAYE paid by card	Could you set up a Direct Debit for PAYE therefore avoid incurring charges?
Asset Control	Does the council maintain a register of all material assets owned or in its care?	Yes. Asset register held in Scribe	

	Are the assets and Investments registers up to date?	Yes	
	Do asset insurance valuations agree with those in the asset register?	Insurance is reviewed every 3 years. Deal with Brokers. Each year they tender to insurance companies.	Review Assets on Insurance Schedule
Bank Reconciliation	Is there a bank reconciliation for each account?	Yes	
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes. Bank Reconciliations completed monthly and agreed during each meeting	
	Are there any unexplained balancing entries in any reconciliation?	No	
	Is the value of investments held summarised on the reconciliation?	n/a	
Year End Procedures	Are year end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes	
	Do accounts agree with the cashbook?	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	
Other Issues	Is the Council registered with the Information Commissioner?	ZA426051 expiry June 22	
	What arrangements does the Council have for the back up of computer files?	Dropbox & Cloud Storage used	
	Does the Council have responsibility for any Trust Funds? If so, are they independently examined?	No	
	Any other issues that are worthy of reporting.	No	