

DM PAYROLL SERVICES LTD

INTERNAL AUDIT REPORT

WROCKWARDINE WOOD & TRENCH PARISH COUNCIL

Date of Report: 31st May 2021

I have now completed the internal audit for Wrockwardine Wood & Trench Parish 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 software to record the accounting records, the accounts are kept up to date and there is evidence they are balanced monthly.

B. Financial Regulations

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

There was evidence of quotations being sought during the procurement process and quotations being put to Council and/or Finance Committee meetings.

VAT was accounted for and reclaims were made.

C. Risk Assessments

The annual council meeting in 2020 had been cancelled due to coronavirus and consequently the risk assessment had not been reviewed during the year. It is important that the risk assessment is reviewed at least annually by the council, your insurer's will expect to see this and there is a risk that the insurers may not honour a claim if the council can not demonstrate the risks of the council have been adequately monitored.

The council's insurance includes employer liability, public liability and employee dishonesty. Computer data is backed up to the cloud automatically.

D. Precept

The precept was set after the council considered its budget requirements for the year. There is evidence of financial monitoring reports being provided regularly.

E. Income

There were no unusual receipts during the year and interest is recorded in the accounting records.

A carbonated, numbered receipt book is used for receipts paid in at the office. A sample of receipts were tested and an audit trail could be found for all of them.

The clerk maintains a list of allotment holders which allows her to monitor any outstanding payments.

F. Petty Cash

Petty cash is used to make appropriate purchases, all receipts could be found for petty cash purchases made.

G. PAYE

The PAYE is administered using Basic Tools and there is evidence on file of monthly RTI submissions being made. The clerk is a member of the local government pension scheme, tax relief on pension contributions is received by calculating tax after the pension has been deducted. For Basic Tools, the gross salary should be inserted for National Insurance calculations and taxable gross salary (gross less pension) inserted for PAYE tax purposes. During the year, the taxable gross pay figures have been used for both NI & PAYE tax purposes which means the earnings are under declared for NI purposes. This can be corrected by an earlier year correction being submitted via Basic Tools. There will be NI due from both the employee and the employer.

Salary payments to the clerk were as per the approved salary scale.

H. Asset Register

The parish council maintains an asset register, this has been updated and reviewed during the year.

I. Bank reconciliations

Bank reconciliations have been carried out regularly. I have reviewed the year end bank reconciliation and confirm it agrees with the bank balance and accounting records.

J. Accounting Statements

The parish council prepares the accounting statements on a Receipts and Payments basis and reconcile back to the accounting software figures.

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 notice for the public rights for 2019/20 was correctly displayed during the year.

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.

Diane Malley

Diane Malley M.A.A.T.