

Boston Spa Parish Council - Internal Audit Report

For the Full Financial Year 2020/2021

The audit covered the full financial year 2020 / 2021 and was undertaken on 13 May 2021.

Findings	ATD Req.	Actioned	
		Initials	Date
Book-keeping			
Cash book entries are maintained on a monthly basis and are up to date. Accounts are printed and filed on a monthly basis.			
All records examined were found to be arithmetically correct.			
The cashbook is balanced at each month end to latest bank account statements. The NatWest current account statement is monthly. The Council also holds 2x deposits of £85,000 with Cambridge & Counties Bank (until May 2024) and £110,000 with Nationwide Building Society (Instant Saver). Latest statements provided for these accounts are May 2020 and March 2020 respectively. It is noted that the NatWest current account and Nationwide Building Society balances both exceed the protection limit under the Financial Services Compensation Scheme and the Council should consider spreading their funds to ensure maximum protection.	✓		
Standing Orders and Financial Regulations compliance			
Standing Orders (dated May 2020) and Financial Regulations (dated May 2020). Minute 116/20 indicates approval of these statutory documents.			
The Clerk to the Parish Council is appointed as the Responsible Finance Officer.			
Appropriate quotations and tendering has been undertaken for purchases above the de minimus levels.			
Payment Controls			
All payments are correctly minuted and authorised for payment. All sampled payments were supported by appropriate invoices.			
Cheque books / stubs have been provided (not seen at the last Audit) and show no use since November 2019.			
VAT on payments has been identified and reclaimed.			
No unusual financial activity has been identified.			
Risk Management Arrangements			
The Council carries out regular Risk Assessments. This was last reviewed and agreed by the Council in May 2020 (minute 117/20).			

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Insurance cover is provided through 2x policies with AXA and Ansvar. Policy information hasn't been provided and cover is assumed to be commensurate with the Asset Register held on file which was approved by the Council in May 2020 (minute 116/20).			
Financial controls are documented and reviewed regularly.			
Budgetary Controls			
The 2020/2021 precept was £52,673. This and the annual budget were agreed in January 2020 (minute 006/20). The Council have prepared and approved a budget for 2021/22 with a revised precept of £53,800 (minute 005/21).			
Expenditure against budget is recorded on a monthly basis and presented to the Council. Variance against budget is adequately reported.			
Income Controls			
Income has been correctly recorded and promptly banked.			
The precept received agrees with the approved budget.			
Petty Cash			
No cash is handled on a day-to-day basis.			
Payroll Controls			
The Clerks contract of employment and evidence of agreed rates to be paid have been provided previously to the Auditor. Clerks hours were increased to 16 per week in April 2020 (there is no formal minute but e-mail correspondence is provided). Salary calculations conform to the approved rates of pay. Latest pay review was agreed in March 2021 (minute 084/21).			
Other payments made to employees are reasonable, supported by receipts and approved by the Council.			
PAYE calculations are on file and payments are up to date.			
Asset Controls			
The Council maintains an Asset Register of all material assets. The Register provided is dated March 2021 and minute 116/20 indicates formal approval of the Asset Register in May 2020.			

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No current policy information has been provided. Cover levels were discussed and approved by the Council in April 2020 (minute 090/20) and March 2021 (061/21). Adequate insurance is therefore assumed to be in place at a level commensurate with the Asset Register.			
Bank Reconciliation			
There are adequate and regular bank reconciliations. The reconciliation is carried out to the cash book monthly for the NatWest current account plus 2x deposit accounts (with balances on the deposit accounts at the year-end unchanged from the initial sum invested).			
There are no unexplained balancing items.			
Year End procedures			
Year-end accounts are prepared on an income and expenditure basis.			
Accounts agree with the cash book.			
There is an audit trail from the underlying financial records to the accounts.			
Debtors and Creditors at the year-end are accurately recorded within the bank reconciliation.			

This report covers the findings of an audit carried out on a random sampling basis; therefore it should not be assumed that areas of concern may not exist within the financial records which were not identified within the sample selected for audit. The audit was conducted on 13 May 2021 based on the accounts file and supporting documents provided by the Clerk.

Richard Dorsey
Internal Auditor
13 May 2021