

Boston Spa Parish Council - Internal Audit Report

For the Full Financial Year 2019/2020

The audit covered the full financial year 2019 / 2020 and was undertaken on 5 May 2020.

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. During the year the Council made 2x term deposits (with Cambridge & Counties Bank and Nationwide Building Society) totalling £195,000 with only 1x statement on file for each of these accounts.			
Standing Orders and Financial Regulations compliance			
Approved Standing Orders (dated May 2018) and Financial Regulations (dated May 2019). Minute 116/19 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 not been included within the pack of information provided by the Clerk to allow the Audit to be undertaken. The Clerk has confirmed that all have been / are signed as required.			
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 2019 (minute 117/19).			
Adequate Insurance cover is provided through 2x policies with AXA and Ansvar. Cover is held commensurate with the Asset Register held on file which was approved by the Council in May 2019 (minute 116/19).			

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Financial controls are documented and reviewed regularly.			
Budgetary Controls			
The 2019/2020 precept was £51,160. This and the annual budget were agreed in January 2019 (minute 007/19). The Council have prepared and approved a budget for 2020/21 with a revised precept of £52,673 (minute 006/20).			
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. Limited cash is handled.			
The precept recorded agrees with Council Tax authority's notification.			
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. Salary calculations conform to the approved rates of pay. Latest pay review was agreed in February 2020 (minute 052/20).			
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 May 2019.			
Adequate insurance is 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).			

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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 5 May 2020 based on the accounts file and supporting documents provided by the Clerk.

Richard Dorsey
Internal Auditor
6 May 2020