

DM PAYROLL SERVICES LTD
INTERNAL AUDIT REPORT
FRANKLEY PARISH COUNCIL

Date of Report: 17th April 2023

General

I have now completed the internal audit for Frankley 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. Please present this report to the parish council.

A. Appropriate books of account

Appropriate books of account have been kept during the year. The council uses a spreadsheet which is fine for the number of transactions of the council. The spreadsheet is kept up to date.

B. Financial Regulations

There is an audit trail of samples picked. Financial Regulations were met, payments were supported by receipts or invoices and payment schedules were reported to meetings. Payments are made by internet banking which requires a dual authorisation.

C. Risk Assessments

A risk assessment has been carried out during the year, please minute when the council has reviewed the risk assessment. The last page of the minutes are signed, it would strengthen the internal controls if all pages are initialled or signed as this would make it more difficult for an alternative minute to be inserted at a later date.

D. Precept

The precept was set after the council considered its budget requirements for the year at a council meeting. There is evidence in the minutes that the budget is monitored periodically through the year.

E. Income

There were no unusual receipts during the year. There was no cash receipts and no interest recorded from the bank. Please check the BDC loan account balance at least annually and record any interest received in the accounts if necessary.

F. Petty Cash

Petty cash is not used by the parish council

G. PAYE

There are no paid employees of the parish council.

H. Asset Register

The parish council maintains an asset register which is to reviewed at the May 2024 meeting.

I. Bank reconciliations

The bank accounts are reconciled to the cash book on an ongoing basis. I have recalculated the bank reconciliation as at the year end to confirm it agrees with the cashbook and bank statements.

The parish council is holding reserves at over 7 times more than the precept level. The council should review its reserves with a view of putting aside some of the reserves for specific expenditure, e.g. contingency for legal costs regarding planning, replacement of assets held. These will become your earmarked reserves. The council doesn't need to open another bank account for these purposes, it is a paper exercise, but the point is that the council is recording the reason of why it is holding reserves much higher than the recommended level.

J. Accounting Statements

The parish council prepares the accounting statements on a receipts and payments basis, I have not reviewed the proposed accounting statements as they were not available at the time of the internal audit.

K. Exemption

The council did correctly declare itself exempt from limited assurance audit during the previous financial year and met the eligibility criteria.

L. Transparency Code

The council has published information on the website in accordance with the Transparency code for smaller authorities.

M. Public Rights

The council had published on the website the notice for the period of public inspection for the previous financial year.

N. Publication Requirements

The council has complied with the publication requirements for the previous financial year, these documents can be found on the council website,

I would like to thank Nancy Bailey for her assistance in the internal audit review.

Diane Malley

Diane Malley M.A.A.T.