



TOWN AND PARISH COUNCIL INTERNAL AUDIT TESTING
 SENNEN PARISH COUNCIL
 INTERNAL AUDIT REPORT
 RFO: TARA STEVENS

AUDIT CONDUCTED OFF SITE USING DIGITAL COPIES OF FILES & SCRIBE ACCOUNTS AUDITORS LOGIN

PERIOD ENDING: 31st MARCH 2021

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?	Yes	
A) Standing Orders and Financial Regulations adopted and applied; AND B) Payment Controls	Has the council formally adopted standing orders and financial regulations?	Yes, adopted 3/9/21	
	Has a Responsible financial officer been appointed with specific duties?	Yes new clerk commenced 1 st April 22	

	Have items or services above the de minimus amount been competitively purchased?	per financial regs 10.3 a minimum of 3 quotes are required	
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes	
	Has VAT on payments been identified, recorded and reclaimed?	Yes	
	Is s137 expenditure separately recorded and within statutory limits?	Recorded and within statutory limits	
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?	Financial controls are discussed within Working Party meetings. Notes from the recent discussion are available. A new Risk Assessment will be drafted and added to the Agenda for June 2022 meeting for agreement.	
	Is insurance cover appropriate and adequate?	Insurance is adequate	
	Are internal financial controls documented	Finance and Governance committee in place and their terms of reference were agreed 3/9/21	

	and regularly reviewed?		
	(Burial Authorities only) Is the Council aware of the Ministry of Justice guidance on "Managing the Safety of Burial Ground Memorials"	Not clear and needs to be clarified	Please clarify the position on whether the council is a burial authority and if it is are you aware of regulations around safety
Budgetary Controls	Has the council prepared an annual budget in support of its precept?	Yes, thorough budget prepared	
	Is actual expenditure against the budget regularly reported to the council?	Yes	
	Are there any significant unexplained variances from budget?	No	
Income Controls	Is income properly recorded and promptly banked?	Yes. Mostly cheques. Would strong suggest online banking be obtained Clerk mentioned difficulty with Barclays bouncing cheques that were signed in accordance with the mandate	Investigate a different bank? i.e. Unity Trust is popular with Parish Councils. I would recommend moving to dual signatory on online banking going forward
	Does the precept recorded agree to the Council Tax authority's notification?	Yes	

	Are security controls over cash and near-cash adequate and effective?	n/a no petty cash	
Petty Cash Procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	n/a no petty cash	
	Is petty cash expenditure reported to each council meeting?	n/a no petty cash	
	Is petty cash reimbursement carried out regularly?	n/a no petty cash	
Payroll Controls	Do all employees have contracts of employment with clear terms and conditions?	Yes	
	Do salaries paid agree with those approved by the council?	Yes	
	Are other payments to employees reasonable and approved by the council?	Yes	
	Have PAYE/NIC been properly operated by the council as an employer?	Yes	
Asset Control	Does the council maintain a register of	Yes	

	all material assets owned or in its care?		
	Are the assets and Investments registers up to date?	Yes	
	Do asset insurance valuations agree with those in the asset register?	Yes	
Bank Reconciliation	Is there a bank reconciliation for each account?	One reconciliation for two accounts	
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes	
	Are there any unexplained balancing entries in any reconciliation?	No	
	Is the value of investments held summarised on the reconciliation?	n/a no investments	
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?	Yes	
Other Issues	Is the Council registered with the Information Commissioner?	Not registered with ICO as ICO do not accept cheque payment.	ICO registration is required where you hold data. Please complete the questionnaire online to confirm requirement and if it is required please join.
	What arrangements does the Council have for the back up of computer files?	Data and payments are stored electronically on a cloud service. This is protected with Passwords/Pins and access restricted to Clerk, RFO and where relevant i.e. to agree payment The Chair and Finance and Governance Committee. Paper statements and receipts are also scanned and saved to the Drive. Paper documents are securely stored in a lockable filing cabinet with access via the Clerk.	
	Does the Council have responsibility for any Trust Funds? If so, are they independently examined?	No	



	Any other issues that are worthy of reporting.	The Council missed the deadline for “exercise of public rights” for the prior year	Please ensure that your exercise of public rights includes the FIRST 10 days of July. Review the PKF website for further clarification
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