



TOWN AND PARISH COUNCIL INTERNAL AUDIT TESTING
SKIPTON PARISH COUNCIL
INTERNAL AUDIT REPORT
CHIEF OFFICER: LOUISE CLOSE
FINANCE MANAGER: HELEN MARSHALL

AUDIT CONDUCTED ON SITE & OFF SITE IN SEPTEMBER 2022

PERIOD ENDING: 1ST APRIL – 31ST AUGUST 2022

Internal Control	Suggested Testing	Findings	Recommendation
Proper Bookkeeping	Is cashbook maintained and up to date?	Yes, daily attention is paid to the cashbook	
	Is cashbook arithmetically correct?	Yes, the council use a system called Rialtus	
	Is the cashbook regularly balanced?	At a minimum the cashbook is balanced monthly but appears to be daily reconciliations	
A) Standing Orders and Financial Regulations adopted and applied; AND B) Payment Controls	Has the council formally adopted standing orders and financial regulations?	Both standing orders and financial regulations were adopted in May 2021 (check they were formally mentioned in meeting minutes)	
	Has a Responsible financial officer been appointed with specific duties?	Yes	

	Have items or services above the de minimus amount been competitively purchased?	Yes, a minimum of 3 quotes are required for services above the de minimus amount set out in the financial regulations	
	Are payments in the cashbook supported by invoices, authorised and minuted?	Payments are supported by a purchase order, invoice and bank authorisation. Per financial regulations adopted Point 4.1 states “Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk, and where necessary also by the appropriate Chairman.” Therefore not required to be minuted.	
	Has VAT on payments been identified, recorded and reclaimed?	Quarterly VAT reclaims at value is substantial	
	Is s137 expenditure separately recorded and within statutory limits?	S137 not explicitly identified. However, a Pride event occurred around July 2022. Donations were made by the public in cash and card receipt (separate card reader used) and monies promptly banked Number of electors in Skipton is 11,995 x £8.41 = £100,877.95	
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 Risk assessment adopted July 2021. Other risk assessments do not appear to be mentioned in full council meetings.	Please ensure every risk assessment is mentioned in brief in the next council meeting after the risk assessment completed.

			This is for completeness and relates to Point C on the internal audit report - recommendation stands as risk assessments completed yearly
	Is insurance cover appropriate and adequate?	Yes, insurance for employers and public liability is adequate.	
	Are internal financial controls documented and regularly reviewed?	<p>Internal Controls have had a massive overhaul in the last 18 months and are now robust.</p> <p>There is now an Audit & Scrutiny Committee who perform an independent review of the financials 3x per year. Copy of the independent review seen.</p> <p>The Council also plans to have regular internal audits</p> <p>LC and HM requested January Audit and therefore this is in line with larger plans to have regular Audits</p>	<p>LC and HM requested January Audit.</p> <p>RP (Audit) to confirm dates.</p>
	(Burial Authorities only) Is the Council aware of the Ministry of Justice guidance on "Managing the Safety of Burial Ground Memorials"	Skipton Council is a Burial Authority for two closed burial grounds. One is at Trinity in Skipton Town Centre and the other is at Wreaks Row. Raikes Row is managed and assessed by a team called "Friends of Raikes Row"	
Budgetary Controls	Has the council prepared an annual budget in support of its precept?	Yes, budget prepared and a thorough meeting held Jan 22. Precept agreed to be held at same level as prior year	

	Is actual expenditure against the budget regularly reported to the council?	Not explicitly discussed at full council meetings. However there is a finance sub-committee who meet quarterly to discuss specific spend Evidence seen that sub-committee does discuss these items	
	Are there any significant unexplained variances from budget?	No	
Income Controls	Is income properly recorded and promptly banked?	Cash banked daily. Checks completed for Finance Manager	
	Does the precept recorded agree to the Council Tax authority's notification?	Craven District do not send a notification	
	Are security controls over cash and near-cash adequate and effective?	<p>There is a small amount of petty cash which is kept in a locked safe and reconciled monthly.</p> <p>Market stall holders and allotment holders sometimes pay cash which is held in the safe. This is collected by one person although there are two attendants that can complete this task.</p> <p>3 people have access to the petty cash tin which is held in the safe. However, 6 people have access to the safe. The safe is kept in a cupboard with a door which can be closed and there is currently no CCTV.</p> <p>Internal Auditor not concerned about petty cash as it's a very small number however, I am concerned about the number of people who have access to the safe and the cash takings from the market stall holders.</p>	<p>Whilst large improvements have been made to my main concern from the previous audit, I am still concerned about weekend access to the safe.</p> <p>Suggest anyone with access or cash be DBS checked on a regular basis (I would suggest every 6 months)</p>

		<p>Cash is banked daily and there is a sheet which reconciles takings for the day.</p> <p>The spreadsheet which is used to record Sundries (i.e. casual market stall holders is cumbersome a manual record). This spreadsheet seemed difficult to navigate for the user.</p> <p>September 2022</p> <p>Auditors is happy to see a buddying system introduced. However, still has some concern about the number of people with access to safe, especially on a weekend when buddying is not always possible.</p> <p>Auditor is also happy to see the Finance Manager adhoc checks have been implemented.</p>	
Petty Cash Procedures	Is all petty cash spent recorded and supported by VAT invoices/receipts?	Yes. Everything is recorded correctly	
	Is petty cash expenditure reported to each council meeting?	No, it's a small amount	
	Is petty cash reimbursement carried out regularly?	Yes, monthly reconciliation is reimbursed where required.	
Payroll Controls	Do all employees have contracts of employment with clear terms and conditions?	Excluding the Clerk there are 10 other employees. Each employee has a job description and contract	

	Do salaries paid agree with those approved by the council?	Yes. Extremely minor differences found and highlighted.	
	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 all material assets owned or in its care?	<i>Asset register checked yearly and therefore this section contains the notes made in previous audit</i> Yes	
	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?	There is one reconciliation for 2 bank accounts	
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes, at least monthly	
	Are there any unexplained balancing	No	

	entries in any reconciliation?		
	Is the value of investments held summarised on the reconciliation?	No investments	
Year End Procedures	Are year end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	<i>Year End Procedure Checked once per year therefore the notes below relate to previous Audit/</i> 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, software used currently is Rialtus which records creditors and debtors in the correct manner	
Other Issues	Is the Council registered with the Information Commissioner?	Yes, Tier 2 registration certificate seen. Membership number is Z8619249 and expires 25/5/22	
	What arrangements does the Council have for the back up of computer files?	Backed up to the cloud using a service which is offered by a third party supplier	



	Does the Council have responsibility for any Trust Funds? If so, are they independently examined?	No	
	Any other issues that are worthy of reporting.	No.	