



Audit Report and Risk Assessment of Financial Systems and Internal Controls for Binsted Parish Council

Number	Internal Control Tests	Findings
1.	Proper Book Keeping	Findings
1.1	Is the Cash book maintained and up to date? Format used?	Yes- Rialtas
1.2	Is the cash book arithmetically correct?	Yes- Rialtas
1.3	Is the Cash Book regularly balanced	Yes- monthly
2a	Standing orders and Financial Regulations	
2.1	Has the Council formally adopted Standing Orders and Financial regulations and dates approved	Update signed off by Council in July 2022
2.2	Has an RFO been appointed with specific duties noted in both contract and Financial Regs?	Yes- Contracts held in office
2.3	Have items or services above a £1000 been competitively purchased?	Yes- three quotes are always obtained
2b	Payments Control	
2.4	Are payments in the cash book supported by invoices, authorised and minuted	Yes always
2.5	Has VAT on payments been checked, recorded and reclaimed? Frequency and refunds into which account?	Quarterly through Rialtas, refunds into current account
2.6	Is S137 expenditure separately recorded and in limit	Yes- has own nominal code within Rialtas
3	Risk Management Arrangements	
3.1	Does a scan of the minutes identify any unusual financial activity, projects and events?	Health check carried out by Finance Committee- any issues then returned to Full Council
3.2	Do the minutes record the Council carrying out an annual risk assessment on the Play Area with documentation and regularity of checks	Yes- Annual Playground Inspection carried out by professional body, Report taken to Full Council

3.3	Is insurance cover appropriate and adequate? With policy numbers and Broker /Company details. Is full governance level correct	Yes.- Hiscox 1891378/1450637
3.4	Are internal financial controls documented and reviewed regularly?	Yes-Internal Auditor approves with a report to Full Council
4	Budgetary Controls	
4.1	Has the Council prepared an annual budget in support of its precept? Council minuted and dated?	Yes in Dec 23 minutes
4.2	Is actual expenditure against budget regularly reported to the Council and minuted?	Yes- Quarterly expenditure always shown in quarterly accounts against budgets
4.3	Are there any significant and unexplained variances on budget?	No
5	Income Controls	
5.1	Is income properly recorded and promptly banked?	Yes- all of our income is banked online and recorded onto Rialtas
5.2	Does the precept recorded in the cash book agree to the District Council's notification? Yearly review of scale of fees?	Yes an annual review takes place
5.3	Are security controls over cash adequate and effective?	Only cash payments were for the purchase of Maps at fete.
6	Petty Cash Procedures	
6.1	Is all petty cash spent noted in book/sheets with proforma/voucher to support, especially those with VAT? Imprest basis used?	n/a
6.2	Is petty cash reported to each Council meeting?	n/a
6.3	Is petty cash reimbursement carried out regularly?	n/a
7	Payroll Controls	
7.1	Do staff salaries/wages paid agree with those approved by the Council and what is the review frequency?	Yes- Salaries are paid monthly and authorised by Chair of Finance Committee and on list of payments. Reviewed annually
7.2	Are other expenses to the Clerk and RFO reasonable and approved by Council?	Yes- Any expenditure is signed off by the Chair of Finance Committee and RFO reconciles payments
7.3	Have PAYE/NIC/Pensions been properly operated by Council as an employer? Payment Frequencies/Method?	Yes- Use HMRC basic tools, NI and Tax paid quarterly. Pension system set up with NEST
8	Asset Controls	
8.1	Does Council keep an Asset register of all assets owned including serial Numbers? Annual physical check noted?	Yes- Checks noted on register and insurance company involved in the review
8.2	Are the Asset/Investments registers up to date, including disposals? Note all Investments held with account numbers.	Yes
8.3	Do asset insurance valuations agree with those in the Asset Register?	Yes- as 8.1

9	Bank Reconciliation	
9.1	Is there a bank reconciliation for each account held?	Yes
9.2	Are bank reconciliations conducted on receipt of statements and with what frequency?	Yes- monthly
9.3	Are there any unexplained balancing entries in any reconciliation?	No- quality assessed by Finance Committee
10	Year-end Procedures	
10.1	Are year-end, final accounts prepared on a Receipts and Payments or Income and Expenditure basis?	Income and Expenditure basis
10.2	Do the accounts agree with the cashbook codings?	Yes
10.3	Is there an audit trail from the underlying financial records to the accounts, for both receipt and payments?	Yes
10.4	Where appropriate, have debtors and creditors been properly recorded? Are the year-end, general and earmarked reserves held at reasonable levels?	Yes- All reserves are within approved levels

Adopted by Full Council Meeting on 12th March 2024.

Review Date: Mar 2025