



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

Number	Internal Control Tests	Findings
<b>1.</b>	<b>Proper Book Keeping</b>	<b>Findings</b>
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
<b>2a</b>	<b>Standing orders and Financial Regulations</b>	
2.1	Has the Council formally adopted Standing Orders and Financial Regulations and dates approved	Yes. Financial Regulations (and associated Standing Orders) signed off by FCM in 25. Regulations will be reviewed for any changes in 2026.
2.2	Has an RFO been appointed with specific duties noted in both contract and Financial Regs?	Yes
2.3	Have items or services above a £1000 been competitively purchased?	Yes. In exceptional circumstances where this has not been possible, the Finance Committee have signed these decisions off.
<b>2b</b>	<b>Payments Control</b>	
2.4	Are payments in the cash book supported by invoices, authorised and minuted	Yes
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
<b>3</b>	<b>Risk Management Arrangements</b>	
3.1	Does a scan of the minutes identify any unusual financial activity, projects and events?	Finance reconciliations reviewed by FCM monthly, with Finance

		Committee also reviewing longer term strategy, EMRs and procurement decisions, and agreeing where these need to be discussed or ratified by FCM.
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.
3.3	Is insurance cover appropriate and adequate? With policy numbers and Broker /Company details. Is full governance level correct	Yes, until 31/07/26. Insurance review took place with brokers, report produced, and action to revalue certain high-value items (and additional items at Blacknest Fields) was undertaken. In-year items purchased are added to the asset register on a regular basis.
3.4	Are internal financial controls documented and reviewed regularly?	Yes-Internal Auditor approves with a report to Full Council
<b>4</b>	<b>Budgetary Controls</b>	
4.1	Has the Council prepared an annual budget in support of its precept? Council minuted and dated?	Yes in Dec 25 minutes (Minute reference 25/097)
4.2	Is actual expenditure against budget regularly reported to the Council and minuted?	Yes- Monthly
4.3	Are there any significant and unexplained variances on budget?	No
<b>5</b>	<b>Income Controls</b>	
5.1	Is income properly recorded and promptly banked?	Yes- all 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?	n/a
<b>6</b>	<b>Petty Cash Procedures</b>	
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
<b>7</b>	<b>Payroll Controls</b>	
7.1	Do staff salaries/wages paid agree with those approved by the Council and what is the review frequency?	Yes- Salaries reviewed annually by Finance Committee. Monthly timesheets and wages are signed off alongside invoices.
7.2	Are other expenses to the Clerk and RFO/councillors reasonable and approved by Council?	Yes- Any expenditure and payments, including expenses

		claims, are signed off using the same process as invoice sign-offs.
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. HMRC records stored on file monthly.
<b>8</b>	<b>Asset Controls</b>	
8.1	Does Council keep an Asset register of all assets owned including serial Numbers? Annual physical check noted?	Yes. See 3.3. above for process. Annual check for any redundant or replaced items. Serial numbers/make models noted where necessary.
8.2	Are the Asset/Investments registers up to date, including disposals? Note all Investments held with account numbers.	Yes. See above.
8.3	Do asset insurance valuations agree with those in the Asset Register?	Not currently. Asset register currently records purchase value. We will start to add insurance values in stages, starting with the highest value items in line with the insurance broker's report, and new items added to the register.
<b>9</b>	<b>Bank Reconciliation</b>	
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
<b>10</b>	<b>Year-end Procedures</b>	
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. Finance Committee review year-end, general and earmarked reserves.

**Adopted by Full Council Meeting on 10 March 2026.**

**Review Date: Mar 2027**