



# DM PAYROLL SERVICES LTD

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24th May 2018

Catshill and North Marlbrook Parish Council  
Catshill Village Hall  
Golden Cross Lane  
Catshill  
Bromsgrove  
Worcestershire  
B61 0JZ

Dear Chairman

## **Internal Audit for Catshill and North Marlbrook Parish Council**

I have now completed the internal audit for Catshill and North Marlbrook 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.

### **A. Appropriate books of account**

Appropriate books of account have been kept during the year. The council has used a spreadsheet to record the books of account, the books are kept up to date and there is evidence they are balanced regularly.

### **B. Financial Regulations**

There is a clear audit trail of all samples picked. Financial Regulations were met, payments were supported by receipts or invoices and payment schedules were reported to meetings.

VAT was appropriately accounted for and a VAT reclaim was made.

### **C. Risk Assessments**

The risk assessment review was carried out during the year.

The council carried out its own internal audit checks which is a strong internal control.

The council's insurance cover includes public liability, employer's liability and fidelity guarantee. The council has previously reviewed the fidelity guarantee which is lower than the recommended amount at £25,000 and confirmed it was happy with the cover. The recommended cover is half of your precept plus half of your reserves and consequently should be in the region of £50,000. The council may wish to review this again. In addition, the cover for cash on premises is £5,000 for cash kept in a safe or strong room or £500 in any other lockable receptacle. This year the cash banking following the bonfire had significantly increased, being just under £5,000 and therefore security over this should be reviewed.



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## **D. Precept**

The precept was set after the council considered its budget requirements for the year.

The council and finance committee is very proactive in respect of monitoring the receipts and payments against the budget. There is evidence of financial reports being provided to the council monthly.

## **E. Income**

There were no unusual receipts during the year. Interest has been recorded in the accounting records

Cash taken at the bonfire event is counted and agreed by 2 people before being locked securely away until banking. However please see above regarding insurance cover.

## **F. Petty Cash**

Petty cash is not used by the council.

## **G. PAYE**

The PAYE is administered using HMRC's Basic Tools and payments to staff are in accordance with approved rates of pay.

## **H. Asset Register**

The parish council maintains an updated asset register which has been reviewed during the year.

## **I. Bank reconciliations**

The bank accounts are reconciled to the cash book monthly. I have recalculated the year end bank reconciliation and confirm it is correct.

## **J. Accounting Statements**

The parish council prepares the accounting statements on an receipts and payment basis and agree to the cashbook.

## **General**

In general, the accounting records are well kept.

I would like to thank your clerk, Rebekah Powell, for her assistance in the internal audit review and enclose my invoice for your attention.

Yours sincerely

*Diane Malley*

Diane Malley MAAT