

**TOWN AND PARISH COUNCIL INTERNAL AUDIT TESTING**

**HELMSLEY TOWN COUNCIL**

**INTERNAL AUDIT REPORT**

**REVIEWED: 15<sup>th</sup> APRIL 2025**

**RFO: VICTORIA ELLIS**

**YEAR ENDING: 31<sup>ST</sup> MARCH 2025**

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
<b>PROPER BOOKKEEPING</b>	Is the cashbook maintained and up to date?	Yes – the Council use the Rialtas Alpha software system which is updated regularly.	
	Is the cashbook arithmetically correct?	The system self-balances.	
	Is the cashbook regularly balanced?	The system self-balances.	
<b>A) STANDING ORDERS AND FINANCIAL REGULATIONS ADOPTED AND APPLIED; AND B) PAYMENTS CONTROLS</b>	Has the council formally adopted standing orders and financial regulations?	Standing Orders and Financial Regulations were reviewed at the May 2024 meeting.	

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	Has a Responsible financial officer been appointed with specific duties?	Victoria Ellis is the RFO and she has a job description with a list of duties.	
	Have items or services above the de minimus amount been competitively purchased?	No large purchases were made during the year.	
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes – all payments in a sample reviewed were supported by documentary evidence and approved by the Council before payment.	
	Has VAT on payments been identified, recorded and reclaimed?	Yes – a claim was submitted to HMRC during the year.	
	Is s137 expenditure separately recorded and within statutory limits?	A number of grant payments were made during the year which were separately recorded and identified.	
<b>RISK MANAGEMENT ARRANGEMENTS</b>	Does a review of the minutes identify any unusual financial activity?	None seen.	

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	Do minutes record the council carrying out an annual risk assessment?	Risk Assessment reviewed at the Council's meeting in May 2024. Measures in place include the annual inspection of seats; weekly inspections of play area equipment; cemetery memorials were inspected during the year by a monumental mason; quarterly inspections of playground equipment by the Play Inspection Company.	
	Is insurance cover appropriate and adequate?	Insurance policy with Zurich for the year ended 31 <sup>st</sup> May 2025. Cover includes Employee Dishonesty (£150k), Employers' Liability (£10m), Public & Products Liability (£12m), and Officials' Liability (£500k). This was the first year of a 3 year contract.	
	Are internal financial controls documented and regularly reviewed?	Yes – two Councillors perform a quarterly check using a comprehensive. All payments are made online through the Unity bank account and are required to be authorised by two councillors.	
	(Burial Authorities only) Is the Council aware of the Ministry of Justice guidance on "Managing the Safety of Burial Ground Memorials"	Yes – evidence seen of a memorial inspection regime and the laying down of unsafe memorials in Minutes. Dales of Thirsk have entered a contract for 5 years to inspect memorials.	

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<b>BUDGETARY CONTROLS</b>	Has the council prepared an annual budget in support of its precept?	At its meeting in November 2024 the Council agreed a budget for 2025/26. A precept of £160,000 was agreed for the year, an increase of £35,000 on 2024/25. The main reasons for the increase was works to the churchyard, cemetery and sportsfield.	
	Is actual expenditure against the budget regularly reported to the council?	Running budget reports are presented to each meeting of the council.	
	Are there any significant unexplained variances from budget?	No significant variances.	
<b>INCOME CONTROLS</b>	Is income properly recorded and promptly banked?	Yes – and the schedule of charges for the cemetery were reviewed at the September 2024 meeting.	
	Does the precept recorded agree to the Council Tax authority's notification?	Yes.	
	Are security controls over cash and near-cash adequate and effective?	Yes – all cheques received are posted to Unity and cash is banked at the Post Office.	

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<b>PETTY CASH PROCEDURES</b>	Is all petty cash spent recorded and supported by VAT invoices/receipts?	There is no petty cash.	
	Is petty cash expenditure reported to each council meeting?	Not applicable.	
	Is petty cash reimbursement carried out regularly?	Not applicable.	
<b>PAYROLL CONTROLS</b>	Do all employees have contracts of employment with clear terms and conditions?	Both members of staff have contracts.	
	Do salaries paid agree with those approved by the council?	The Clerk's salary was reviewed by the Staff Working Group and approved by the council during the year. Pay is calculated by a bureau.	
	Are other payments to employees reasonable and approved by the council?	Only other payments seen are for expenses which are supported by claims and receipts.	
	Have PAYE/NIC been properly operated by the council as an employer?	Yes - HMRC Basic Tools system used.	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
<b>ASSET CONTROLS</b>	Does the council maintain a register of all material assets owned or in its care?	Yes	
	Are the assets and Investments registers up to date?	Yes – some play equipment added during the year.	
	Do asset insurance valuations agree with those in the asset register?	Yes	
<b>BANK RECONCILIATION</b>	Is there a bank reconciliation for each account?	Yes	
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes – and presented to the Councillors for their quarterly review.	
	Are there any unexplained balancing entries in any reconciliation?	No.	
	Is the value of investments held summarised on the reconciliation?	Yes – cash is deposited with the CCLA and Nationwide Building Society and balances are reported to councillors.	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
<b>YEAR-END PROCEDURES</b>	Are year end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Receipts and Payments basis used.	
	Do accounts agree with the cashbook?	Yes	
	Is there an audit trail from underlying financial records to the accounts?	Yes – appropriate trail in place.	
	Where appropriate, have debtors and creditors been properly recorded?	Not applicable.	
<b>OTHER ISSUES</b>	Is the Council registered with the Information Commissioner?	Yes – registration number Z2847699 expiring 8 <sup>th</sup> September 2025.	
	What arrangements does the Council have for the backup of computer files?	Microsoft 365 is used for the storage of files and an external hard drive is taken to the Clerk's home each night.	
	Does the Council have responsibility for any Trust Funds? If so, are they independently examined?	Yes – the Helmsley Recreation Charity (registered no 523358) of which the Council is the sole trustee. Audited accounts have been filed with the Charity Commissioners.	

