

**TOWN AND PARISH COUNCIL INTERNAL AUDIT TESTING**

**MORTON-ON-SWALE PARISH COUNCIL**

**INTERNAL AUDIT REPORT**

**CLERK: MANDY LAMBERT**

**REVIEWED: 14<sup>th</sup> APRIL 2026**

**RFO: ROGER DALE**

**YEAR ENDING: 31<sup>ST</sup> MARCH 2026**

**WEBSITE: [mortononswale-pc.gov.uk](http://mortononswale-pc.gov.uk)**

<b>INTERNAL CONTROL</b>	<b>SUGGESTED TESTING</b>	<b>FINDINGS</b>	<b>RECOMMENDATIONS</b>
<b>PROPER BOOKKEEPING</b>	Is the cashbook maintained and up to date?	Yes – on an Excel spreadsheet.	
	Is the cashbook arithmetically correct?	Yes –spreadsheet has automated totalling.	
	Is the cashbook regularly balanced?	Yes	
	If the Council has balances in excess of £100k does it have an investment strategy?	Not applicable	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
<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 re-adopted at the May 2025 meeting. These are available on the Council's website.	
	Has a Responsible financial officer been appointed with specific duties?	Roger Dale was appointed RFO during 2017/18 and has a job description and a designated Line Manager. The Clerk, Amanda Lambert, was has a job description.	
	Have items or services above the de minimus amount been competitively purchased?	Limits of £25k for tenders and £3k for quotations. Evidence seen in minutes of quotations being sought for a number of items below these levels.	
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes – for the sample of transactions seen.	
	Has VAT on payments been identified, recorded and reclaimed?	Yes. Claims are submitted twice yearly..	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
	Is s137 expenditure separately recorded and within statutory limits?	Not applicable	
	If the Council uses debit or credit cards are appropriate procedures in place for security and credit limits?	A debit card is used by the RFO and held securely by him.	
<b>RISK MANAGEMENT ARRANGEMENTS</b>	Does a review of the minutes identify any unusual financial activity?	No	
	Do minutes record the council carrying out an annual risk assessment?	The Council has a Risk Assessment that was revised in June 2019. A RoSPA inspection of playground equipment by Streetscape performed during the year. Quarterly inspections by Synergy Outdoors.	
	Is insurance cover appropriate and adequate?	Insurance is through Ecclesiastical Insurance for the year to 30 <sup>th</sup> June 2026; cover includes public & products liability £10m, money £250k, employers liability £10m, assets including £183k play equipment, Legal expenses £250k, officials indemnity £500k, liable & slander £250k.	
	Are internal financial controls documented and regularly reviewed?	These are detailed in the risk assessment mentioned above.	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
<b>BUDGETARY CONTROLS</b>	Has the council prepared an annual budget in support of its precept?	Yes – reviewed at 26 <sup>th</sup> November 2025 meeting. Decided to increase precept to £13,200 for 2026/27 (an increase of £200). Working papers seen.	
	Is actual expenditure against the budget regularly reported to the council?	Yes – at every council meeting.	
	Are there any significant unexplained variances from budget?	No.	
<b>INCOME CONTROLS</b>	Is income properly recorded and promptly banked?	Most payments are received by bank transfer.	
	Does the precept recorded agree to the Council Tax authority's notification?	Yes – remittance advices seen.	
	Are security controls over cash and near-cash adequate and effective?	Yes	
<b>PETTY CASH PROCEDURES</b>	Is all petty cash spent recorded and supported by VAT invoices/receipts?	No petty cash is held now.	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
	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?	The Clerk and RFO have contracts of employment.	
	Do salaries paid agree with those approved by the council?	Increased in line with NJC scales	
	Are other payments to employees reasonable and approved by the council?	No other expenses	
	Have PAYE/NIC been properly operated by the council as an employer?	PAYE and NIC are now operated in line with HMRC requirements. T P Jones produces payslips and other documentation.	
<b>ASSET CONTROLS</b>	Does the council maintain a register of all material assets owned or in its care?	A comprehensive register of assets has been drawn up.	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
	Are the assets and Investments registers up to date?	Yes. Includes new chair for school and dog waste bin. Asset values are updated for inflation annually.	
	Do asset insurance valuations agree with those in the asset register?	Insurance cover is in place and the amounts appear to be adequate.	
<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 – on receipt of statements	
	Are there any unexplained balancing entries in any reconciliation?	No	
	Is the value of investments held summarised on the reconciliation?	Yes	
<b>YEAR-END PROCEDURES</b>	Are year end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	Yes – Receipts and Payments	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
	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?	Not applicable	
<b>OTHER ISSUES</b>	Is the Council registered with the Information Commissioner?	Yes – registration no ZA466861 expiring 16 October 2026	
	Is appropriate documentation published on the Council's website?	The Council has an IT Policy adopted in September 2025. This is posted on the Council website. Previous year's AGAR forms are also published.	
	Does the Council have a single generic email address on an authority owned domain?	The Council has a generic email address and Councillors have their own gov.uk email addresses and Microsoft exchange accounts.	
	What arrangements does the Council have for the back up of computer files?	Finance files are backed up on both the Clerk's cloud and RFO's One Drive.	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
	Does the Council have responsibility for any Trust Funds? If so, are they independently examined?	No.	
	Has the Council made arrangements to comply with the Transparency Code for smaller authorities?	Not applicable, but published on website.	