



Black Rose Solutions Limited

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2nd November 2022

Dear Hilary and Kate,

Rugeley Town Council – Interim Internal Audit 2022/23

I confirm that I have carried out an examination of your accounts and procedures, in accordance with the requirements of the Accounts and Audit Regulations 2015.

I can state that I have no major concerns, please see attached report for further details of minor issues and comments.

I would also confirm that I am totally independent of your Council and have no conflicts of interest arising, at any level, from association with any Member, employee or supplier.

Yours sincerely,

S Morris

Mrs Sandra Morris ACMA

Black Rose Solutions Ltd

Internal Audit - Report

Name of Council Rugeley Town Council
 Date of Audit 11/10/2022

Annual Return - Internal Control Objectives
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A. Appropriate accounting records have been properly kept throughout the financial year.	YES
Is the cashbook maintained and up to date? yes Is the cashbook arithmetic correct? yes Is the cashbook regularly balanced? yes The council uses the RBS Omega system, no irregularities were noted	

B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	YES
Are payments supported by invoices? yes*- Is all expenditure approved? yes Is VAT appropriately accounted for? yes Does the Council hold Power of Competence? yes If not, does the council monitor s137 expenditure against limit? n/a	
A small number of staff expense payments did not have supporting documents attached. Documents were found and attached upon request. All supporting documents should be filed and reviewed before approval or payment.	R

C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	YES
Does a review of the minutes identify any unusual financial activity? no Do minutes record the council carrying out an annual risk assessment? yes* Is Insurance cover appropriate and adequate? tbc Are internal financial controls documented and regularly reviewed? yes <div style="text-align: right; margin-right: 50px;"> Date of review Financial Regs May-22 Date of review Standing Orders May-22 </div> The standing orders and financial regulations have not been updated since 2017. A numbers or processes have evolved, especially during Covid and should be reviewed and updated in the Regulations as appropriate.	
The annual risk assessment was minuted as approved at the May meeting, but at the time of the audit they had not been updated on the website. This has now been updated.	note

D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	TBC
Has the council prepared an annual budget in support of its precept?	tbc
Is actual expenditure against the budget regularly reported to the council?	yes
Are there any significant unexplained variances from budget?	no
Are reserves appropriate?	tbc

E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	YES
Is income properly recorded and promptly banked?	yes
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
Is the council VAT registered?	yes
Are returns submitted in a timely manner.	*no
Is VAT reclaimed on exempt business activities reviewed and considered insignificant?	yes
Are receipts for business activities within the registration threshold?	n/a
Due to an oversight the VAT return for April-June had not been submitted at the time of the audit. This was immediately rectified.	R
A new process is being used whereby (Non-Council) event tickets are sold via the Council Ticketing system and costs are deducted before being paid to the organiser. It may be useful to review and formalise this procedure to ensure appropriate agreements and controls are in place to ensure no risks or liabilities are missed or incurred.	note

F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	YES
Is all petty cash spent recorded and supported by VAT invoices/receipts?	yes
Is petty cash expenditure reported to each council meeting?	yes
Is petty cash reimbursement carried out regularly?	yes
There are 3 petty cash floats, managed on an imprest system.	
Top ups are supported by receipts, and regularly reported to council.	

G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	YES
Do all employees have contracts or employment with clear terms and conditions?	yes
Do salaries paid agree with those approved by the council?	yes
Are other payments to employees reasonable and approved by the council?	yes*
Have PAYE/NIC been properly operated by the council as an employer?	yes
Does line 4 include only Salary, NI & Pension	tbc
See note B re supporting documents for staff expenses	

H. Asset and investments registers were complete and accurate and properly maintained.	TBC
Does the council maintain a register of all material assets owned or in its care?	
Are the assets and investments registers up to date?	
Do asset insurance valuations agree with those in the asset register?	

I. Periodic and year-end bank account reconciliations were properly carried out.	YES
Is there a bank reconciliation for each account?	yes
Is a bank reconciliation carried out regularly and in a timely fashion and approved by council?	yes
Are there any unexplained balancing entries in any reconciliation?	no
Is the value of investments held summarised on the reconciliation?	n/a

J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	TBC
Are year end accounts prepared on the correct accounting basis (receipts and payments or income and expenditure) ?	
Are debtors and creditors properly recorded?	
Do accounts agree with the cashbook?	
Is there an audit trail from underlying financial records to the accounts?	
A small number of Amazon payments had been reported to council with a generic "postage and stationery" description. In some instances these payments related to other (relatively high value) items such as Ukrainian gifts. It is important that transaction listings reported to the council and on the website in line with transparency guidance accurately reflect spending.	R

K. If the authority certified itself as exempt from a limited assurance review, it met the exemption criteria and correctly certified itself exempt	N/a

L. The authority publishes information on a website/webpage up to date at the time of the internal audit in accordance with any relevant Transparency Code requirements	YES
Transparency Code for Larger Authorities (income/expenditure >£200k)	
Quarterly:-	
All items of expenditure above £500	yes
Government Procurement Card transactions	n/a
Procurement information (initiations to tender > £5k)	yes
Annually:-	
local authority land	n/a
social housing assets	n/a
grants to voluntary, community and social enterprise organisations	yes
organisation chart	yes
trade union facility time	n/a
parking account	n/a
parking spaces	n/a
senior salaries (>£50k)	n/a
constitution (standing orders)	yes
pay multiple	n/a
social housing fraud	n/a
One off:-	
Waste contracts	n/a

M. The authority has demonstrated that during summer 2022 it correctly provided for	
Publication Date	09/06/2022
Date from	10/06/2022
Date to	21/07/2022

N. The authority has complied with the publication requirements for 2021/22 AGAR.	YES
Notice of Period for Exercise of Electors Rights	yes
Section 1 Annual Governance Statement	yes
Section 2 Accounting Statements	yes
Notice of Conclusion of Audit	yes
Section 3 External Audit Report & Certificate	yes
Internal Audit Report	yes

O. Trust funds (including charitable) – The council met its responsibilities as a trustee.	N/a