

**SANDY TOWN COUNCIL INTERNAL  
FINAL AUDIT REPORT FOR THE  
YEAR ENDED 31 MARCH 2023**

*Conducted 17<sup>th</sup> May 2023*

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### **Introduction**

The final internal audit was carried out on the 17<sup>th</sup> May 2023. The audit was conducted at the offices of the Council.

### **Summary of Work Completed**

The work completed is identified in the following table below:

<b>AREA OF WORK</b>	<b>WORK COMPLETED</b>
Bank and Cash Reconciliations	<ul style="list-style-type: none"><li>a) Bank reconciliations were reviewed and agreed each month to ensure that controls were working effectively throughout the period.</li><li>b) The reconciliation for the period to 31/03/2023 was verified to the accounting data as entered to Rialtas software.</li><li>c) Cash reconciliations were reviewed to the period up to 31/03/2023</li></ul>
VAT Returns	<ul style="list-style-type: none"><li>a) VAT returns for the year were reviewed and the debtor as at 31/03/2023 was verified to the trial balance as at that date.</li></ul>
Substantive Income and Expenditure Testing	<ul style="list-style-type: none"><li>a) A sample of income and expenditure was confirmed to supporting documentation. Receipts and payments were confirmed to the bank statements respectively.</li><li>b) Internal authorisation procedures were checked for the council's expenditure for the period under review.</li></ul>
Risk Assessments	<ul style="list-style-type: none"><li>a) The council's risk assessments were reviewed to ensure that due consideration has been given to identify the key and significant risks.</li><li>c) To ensure that sufficient safeguards and controls are in place to mitigate identified risks.</li></ul>
Fixed Asset Register	<ul style="list-style-type: none"><li>a) The fixed asset register was reviewed to ensure that assets owned by the council are correctly recorded.</li></ul>
Minutes of Meetings	<ul style="list-style-type: none"><li>a) The minutes of meetings since the last internal audit were reviewed and any relevant information was noted.</li></ul>

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Review of Trial Balance	a) The trial balance was reviewed for reasonableness b) The trial balance was confirmed to the accounts and annual return respectively to ensure financial results agree to source material.
Insurance	a) A review of insurance policies was conducted to ensure that sufficient cover is in place and is reasonable.
Payroll	a) Payroll was verified to the annual return and calculations for PAYE, National Insurance and Pension contributions were checked.
PWLB Loans	a) PWLB balance was agreed to the annual return and supporting loan statement

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**Results**

The work completed is identified in the following table below:

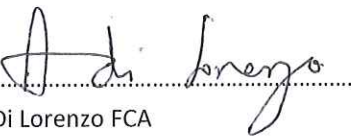
AREA OF WORK	OBSERVATIONS/POINTS
Bank and cash Reconciliations	Bank and reconciliations were reviewed and confirmed to be done on a monthly basis with due care and attention. Bank balances were confirmed to statements as at 31 March 2023.
VAT Returns	The balance as at 31/03/2023 was reconciled to the financial statements. No further observations were made.
Substantive Income and Expenditure Testing	No issues were identified with income and expenditure testing. A sample of transactions were reviewed to supporting evidence and checked to ensure payments cleared the bank and receipts received.  Authorisation procedures were confirmed to be working effectively.  Accounting entries were correctly recorded and posted to the correct nominal code.
Risk Assessments	The Council's risk assessments were confirmed to be reasonable and safeguards are considered to be appropriate and reasonably implemented.
Fixed Asset Register	The fixed asset register looks to be maintained with assets owned by the Council.
Minutes of Meetings	Minutes were reviewed and no pertinent issues were identified for the period under review.
Insurance	Documentation was reviewed and is expected to be sufficient to cover the requirements of the Council.
Other Observations	We were informed that cash was stolen during the financial year. Please ensure that sufficient safeguards are implemented to mitigate risk. For example, having a checking system in place to confirm the value held at the start and end of the day. Also, ensure that updates are made to the financial regulations for any new changes.

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**Conclusion**

In our opinion the Council is keeping their books and records in order and is following internal control procedures that have been established.



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