



# Black Rose Solutions Limited

## Internal Audit Summary

**Proper Bookkeeping** – the cashbook is up to date, correct, regularly balanced and presented to council.

**Review and Approval of Policies** – standing orders, financial regulations, governance statement, risk register and asset register are reviewed and approved on an annual basis.

**Payment Controls** – an RFO has been appointed, payments are supported by invoices, authorised by 2 councillors and minuted. VAT is identified, recorded and reclaimed.

**Income and Petty Cash Controls** – income is properly recorded and promptly banked. Petty cash is secure, expenditure is recorded and reported regularly.

**Budgetary controls** – an annual budget is prepared to support the precept, expenditure against budget is regularly reported to the council, there are no significant unexplained variances.

**Payroll Controls** – all employees have contracts, PAYE/NIC is properly operated, payments appear reasonable and approved by the council.

**Asset Controls** – the Asset Register is up to date and where possible matches to insurance valuations.

**Bank Reconciliation** – the bank reconciliation is prepared regularly, in a timely fashion and presented to council. There are no unexplained balancing entries.

**Year End Procedures** – the accounts are prepared on the Income and Expenditure basis, the accounts agree to the cashbook, there is an audit trail to documents, debtors and creditors have been properly recorded.



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## Advisory Notes

<u>Observation</u>	<u>Risk</u>
<p>Direct bank transfers only require one authorisation. (Though it is still the case that all paperwork is reviewed and approved by signature.)</p> <p>Various supplemental controls are in place, there are limits on the value of transactions and bank statements are regularly reconciled, reviewed and approved.</p> <p>Dual authorisation could give various benefits including a second check to avoid errors, reduced risk of fraud, theft of passwords and security devices etc.</p>	<p>There is a risk of error, fraud or theft of passwords etc.</p> <p>On the same basis as dual cheque signatories dual authorisation should be set up if possible (various banks offer this service).</p>
<p>Bank reconciliations are prepared and signed off regularly, but the sign off did not correspond to the end of the year, reported figures on this occasion.</p>	<p>For completeness, it would be useful to ensure that the reported figures are checked and signed off.</p> <p>An error due to a timing difference could lead to a minor misreporting.</p>