

**TOWN AND PARISH COUNCIL INTERNAL AUDIT TESTING**

**BEDALE TOWN COUNCIL**

**INTERNAL AUDIT REPORT**

**VISIT: 16<sup>TH</sup> APRIL 2026**

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

**CLERK: NICK REED**

**WEBSITE: [www.bedale-tc.gov.uk](http://www.bedale-tc.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?	Computerised Financial Director software – Rialtas. This was up to date as at year end.	
	Is the cashbook arithmetically correct?	Automatic balancing procedures	
	Is the cashbook regularly balanced?	Bank reconciliation reports presented to each Town Council meeting.	
	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-approved and re-adopted at the 14 <sup>th</sup> April 2025 annual meeting.	
	Has a Responsible financial officer been appointed with specific duties?	Clerk – Nick Reed with Joanne Thompson as Assistant Clerk.	
	Have items or services above the de minimus amount been competitively purchased?	Tenders required for purchases over £30k.	
	Are payments in the cashbook supported by invoices, authorised and minuted?	Yes – see testing spreadsheet	
	Has VAT on payments been identified, recorded and reclaimed?	VAT was recorded and reclaimed three times during the year.	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
	Is s137 expenditure separately recorded and within statutory limits?	Yes.	
	If the Council uses debit or credit cards are appropriate procedures in place for security and credit limits?	A monthly spend limit of £1,000 is in place for the Barclaycard.	
<b>RISK MANAGEMENT ARRANGEMENTS</b>	Does a review of the minutes identify any unusual financial activity?	No unusual activity identified. Inspections of play areas carried out weekly by Market Superintendent. Annual risk assessment by the Play Area Inspection Company.	
	Do minutes record the council carrying out an annual risk assessment?	An updated Risk Management Policy and Risk Assessment were adopted at the October 2022 meeting.	
	Is insurance cover appropriate and adequate?	Yes – cover with Zurich for the year ended 14 <sup>th</sup> June 2026. Includes Public Liability (cover £10m), Employers Liability (£10m) Assets (inc toilets £127k, bandstand £69k and other assets), money (£250k inc £5k in an employee's home), personal accident (£500k per person and £2m per incident), libel & slander (£250k), legal expenses (£100k) and fidelity guarantee (£100k).	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
	Are internal financial controls documented and regularly reviewed?	Financial controls are detailed in the Risk Management Policy and Risk Assessment which was adopted in October 2022.	
	(Burial Authorities only) Is the Council aware of the Ministry of Justice guidance on “Managing the Safety of Burial Ground Memorials”	Not applicable – this is managed by the Joint Burial Authority.	
	(Burial Authorities only) Is there a formal burial register in place?	Not applicable	
<b>BUDGETARY CONTROLS</b>	Has the council prepared an annual budget in support of its precept?	The Council’s budget for 2026/27 was considered at the 10 <sup>th</sup> November 2025 meeting. Agreed to reduce the precept to £99,511 (from £105,242) following the one-off payment for Becksides path renovation. Evidence of detailed review seen.	
	Is actual expenditure against the budget regularly reported to the council?	All payments and income are reported to Council at each meeting	
	Are there any significant unexplained variances from budget?	No significant variations at year end	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
<b>INCOME CONTROLS</b>	Is income properly recorded and promptly banked?	Yes.	
	Does the precept recorded agree to the Council Tax authority's notification?	Precept - £52,621 x 2 agrees to Annual return of £105,242. Remittance seen.	
	Are security controls over cash and near-cash adequate and effective?	Yes – receipts issued by Superintendent and recorded on form which is then passed to Clerk.	
<b>PETTY CASH PROCEDURES</b>	Is all petty cash spent recorded and supported by VAT invoices/receipts?	No petty cash. A credit card is used by the Clerk and all expenditure is reported to the Council.	
	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 the Clerk and the Assistant Clerk have been issued with contracts of employment. .	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
	Do salaries paid agree with those approved by the council?	Reviewed by Council when NJC pay award announced.	
	Are other payments to employees reasonable and approved by the council?	The Clerk has a Council credit card. No other expenses payments.	
	Have PAYE/NIC been properly operated by the council as an employer?	HMRC records maintained and returns made online.	
<b>ASSET CONTROLS</b>	Does the council maintain a register of all material assets owned or in its care?	Yes – total value of assets shown as £798,640 at 31 <sup>st</sup> March 2026.	
	Are the assets and Investments registers up to date?	Yes.	
	Do asset insurance valuations agree with those in the asset register?	Yes.	
<b>BANK RECONCILIATION</b>	Is there a bank reconciliation for each account?	Bank reconciliations seen for each account at year end.	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
	Is a bank reconciliation carried out regularly and in a timely fashion?	Reconciliations carried out at start of each month on receipt of bank statements. Copies of printout from Rialtas presented to Council minutes.	
	Are there any unexplained balancing entries in any reconciliation?	No balancing entries seen.	
	Is the value of investments held summarised on the reconciliation?	No other investments.	
<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 accounts maintained – produced by Rialtas. They incorporate an allocation of the costs of the local Burial Board since this is a requirement of the Local Councils Governance and Accountability Guide.	
	Do accounts agree with the cashbook?	Produced from same software. Trial balance print out seen which balances	
	Is there an audit trail from underlying financial records to the accounts?	Yes – see separate testing spreadsheet	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
	Where appropriate, have debtors and creditors been properly recorded?	No accruals accounting.	
<b>OTHER ISSUES</b>	Is the Council registered with the Information Commissioner?	Yes – registration no Z2971920 expiring 15/12/2026.	
	Is appropriate documentation published on the Council's website?	All relevant financial information is published on the council's website.	
	Does the Council have a single generic email address on an authority owned domain?	Yes – and Councillors have their own personal .gov.uk email accounts.	
	What arrangements does the Council have for the backup of computer files?	All data stored on dropbox in a Cloud and One Drive. Rialtas software backed up to that company monthly.	
	Does the Council have responsibility for any Trust Funds? If so, are they independently examined and are accounts filed with the Charity Commission?	The Council has no trust funds.	

