

TOWN AND PARISH COUNCIL INTERNAL AUDIT TESTING

MALTON TOWN COUNCIL

INTERNAL AUDIT REPORT

RFO: GAIL COOK

REVIEWED: 6TH MAY 2026

YEAR ENDING: 31ST MARCH 2026

WEBSITE: www.malton-tc.gov.uk

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
PROPER BOOKKEEPING	Is the cashbook maintained and up to date?	The financial records are maintained on the Rialtas Financial Management software. They were up to date at the year end.	
	Is the cashbook arithmetically correct?	The system is self-balancing.	
	Is the cashbook regularly balanced?	Evidence was seen of monthly bank reconciliations being carried out in a timely manner.	
	If the Council has balances in excess of £100k does it have an investment strategy?	The Council has an investment strategy which was reviewed and approved at the January 2026 meeting. £69k is held in a deposit account with Unity Bank and £74k in Business Premium accounts at Barclays Bank.	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
A) STANDING ORDERS AND FINANCIAL REGULATIONS ADOPTED AND APPLIED; AND B) PAYMENTS CONTROLS	Has the council formally adopted standing orders and financial regulations?	Financial Regulations and Standing Orders were reviewed and approved at the Council's 28 th January 2026 meeting. These policies are posted on its website.	
	Has a Responsible financial officer been appointed with specific duties?	Gail Cook has been appointed as Responsible Financial Officer.	
	Have items or services above the de minimus amount been competitively purchased?	Financial Regulations require formal tenders to be obtained for purchases in excess of £60,000 and quotations for those in excess of £3,000. Evidence of quotations being sought was seen.	
	Are payments in the cashbook supported by invoices, authorised and minuted?	A sample of transactions was reviewed and these were checked to invoices, minutes and the financial records.	
	Has VAT on payments been identified, recorded and reclaimed?	VAT was reclaimed periodically throughout the year and received promptly.	

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	If the Council uses debit or credit cards are appropriate procedures in place for security and credit limits?	The Clerk has a company Barclaycard which is retained in the office. A Screwfix account card is held by the Cemetery Manager.	
	Is s137 expenditure separately recorded and within statutory limits?	Some grants are paid but well within limits.	
RISK MANAGEMENT ARRANGEMENTS	Does a review of the minutes identify any unusual financial activity?	No unusual activity seen.	
	Do minutes record the council carrying out an annual risk assessment?	The Council's Risk Assessment Management Policy was reviewed and approved at its 28 th January 2026 meeting. The policy is posted on its website. Play equipment is inspected weekly and tested by RoSPA annually.	
	Is insurance cover appropriate and adequate?	Insurance policy schedule through Hiscox for the year commencing 1 st April 2026 seen. This included £10m cover for employers liability and public and products liability, and £500k officials' and trustees' indemnity. In addition the council's electric van and other items of plant are insured through Gallagher.	

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	Are internal financial controls documented and regularly reviewed?	The Council conducted a review of Internal Audit at its January meeting. Two councillors undertake a documented quarterly inspection of the accounts.	
	(Burial Authorities only) Is the Council aware of the Ministry of Justice guidance on "Managing the Safety of Burial Ground Memorials"	Memorials are informally checked by the Cemetery Manager periodically but not subjected to more rigorous testing.	The Council investigate the need for the review of memorials by a qualified individual or organisation. A copy of the MoJ guidance has been supplied to the Clerk.
	(Burial Authorities only) Is there a formal burial register in place?	Yes	
BUDGETARY CONTROLS	Has the council prepared an annual budget in support of its precept?	At its meeting on 26 th November 2025 the Council agreed a budget for 2026/27. This included a precept of £286,313, an increase of 4.98% on that for 2025/26.	
	Is actual expenditure against the budget regularly reported to the council?	Yes – at every meeting.	
	Are there any significant unexplained variances from budget?	None seen.	

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INCOME CONTROLS	Is income properly recorded and promptly banked?	A sample of invoices raised for fees was reviewed. The Council reviewed cemetery fees at its 26 th November 2025 meeting and charges were increased with effect from 1 st April 2026. However, the fees shown on the cemetery noticeboard are those from 1 st April 2024.	Up to date fees be displayed on the noticeboard.
	Does the precept recorded agree to the Council Tax authority's notification?	Yes	
	Are security controls over cash and near-cash adequate and effective?	Most income is received by direct transfer and cash is received very infrequently.	
PETTY CASH PROCEDURES	Is all petty cash spent recorded and supported by VAT invoices/receipts?	There is no petty cash account.	
	Is petty cash expenditure reported to each council meeting?	Not applicable	
	Is petty cash reimbursement carried out regularly?	Not applicable.	

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PAYROLL CONTROLS	Do all employees have contracts of employment with clear terms and conditions?	<p>There are three full time members of staff (the Clerk, her Deputy and the Cemetery Manager) and five part time (the Cleaner, the Chapels Cleaner, the Town Ranger, the Watering Operative and the Streetscene Operative). All have contracts of employment and are employed under NJC terms and conditions.</p> <p>However, it was noted that additional help is brought in to work in the Cemetery from time to time on an informal basis and payments are made on receipt of an invoice.</p>	The employment of additional cemetery workers be brought into line with those of other employees.
	Do salaries paid agree with those approved by the council?	Salaries are paid in line with the details reported to the Council in the budget report.	
	Are other payments to employees reasonable and approved by the council?	Only expenses incurred are reimbursed to employees.	
	Have PAYE/NIC been properly operated by the council as an employer?	Payroll payments, PAYE and NI contributions are calculated by a payroll bureau.	
ASSET CONTROLS	Does the council maintain a register of all material assets owned or in its care?	Yes	

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	Are the assets and Investments registers up to date?	Yes – purchases such as the electric van which was bought in the year are included.	
	Do asset insurance valuations agree with those in the asset register?	Yes	
BANK RECONCILIATION	Is there a bank reconciliation for each account?	Reconciliations are carried out regularly for each of the 4 accounts.	
	Is a bank reconciliation carried out regularly and in a timely fashion?	Yes	
	Are there any unexplained balancing entries in any reconciliation?	No	
	Is the value of investments held summarised on the reconciliation?	There are no investments other than the bank accounts.	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
YEAR-END PROCEDURES	Are year end accounts prepared on the correct accounting basis (Receipts and Payments or Income and Expenditure)?	The accounts are maintained on a Receipts and Payments basis.	
	Do accounts agree with the cashbook?	Yes	
	Is there an audit trail from underlying financial records to the accounts?	A clear trail could be followed through the records.	
	Where appropriate, have debtors and creditors been properly recorded?	Just one debtor is included in the accounts for year-end VAT due from HMRC.	
OTHER ISSUES	Is the Council registered with the Information Commissioner?	The Council is registered for the year ending 12 th October 2026, registration number ZA281809.	
	What arrangements does the Council have for the backup of computer files?	External hard drive taken home	
	Is appropriate documentation published on the Council's website?	Comprehensive documentation is available on the Council's website.	

INTERNAL CONTROL	SUGGESTED TESTING	FINDINGS	RECOMMENDATIONS
	Does the Council have a single generic email address on an authority owned domain?	All councillors have .gov.uk email addresses	
	Does the Council have responsibility for any Trust Funds? If so, are they independently examined?	The Council does not have any trust funds.	