

EDWINSTOWE INTERNAL AUDIT REPORT

**System: Payroll**

**Auditor: Ken Goddard**

**Date: April 2026**

**Control Objective 1: To ensure payroll processing has been carried out correctly**

<b>Ref</b>	<b>Expected Control</b>	<b>Actual Control</b>	<b>Test Findings &amp; Recommendations</b>	<b>Council's Response And Date of Implementation</b>
1.1	The Council's Payroll operations are carried out by 2 officers.	The Parish Clerk prepares the payroll each month for the six members of staff	Evidence of this was seen during the audit.	None required.
1.2	The payment of the payroll is authorised by a senior officer before finalisation	The final payroll listing for each month is signed off as approved by a Council Member.	This was seen on both the payroll runs checked during the audit.	None required.
1.3	The Internal Auditor checks for accuracy the payroll run.	This was carried out during the audit	The payroll runs for November and December 2025 were checked and found to be correct.	None required.

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**Date: April 2026**

**Control Objective 2: To ensure that all statutory and voluntary deductions are correctly deducted and paid away.**

<b>Ref</b>	<b>Expected Control</b>	<b>Actual Control</b>	<b>Test Findings &amp; Recommendations</b>	<b>Council's Response and Date of Implementation</b>
2.1	All Income Tax and NI contributions are deducted from gross salary	Statutory deductions are made from gross or taxable pay.	Found to be correctly deducted for the 2 payrolls reviewed.	None required
2.2	Income Tax, employee NI and employer NI contributions are forwarded to the Inland Revenue by the deadline date.	Forwarded to Inland Revenue each month.	The correct amount of £2,621.35 was sent to HMRC on 29 <sup>th</sup> November for the November 2025 payroll; and £2,771.48 was remitted to HMRC on 23 January 2026 in respect of December 2025.	None required
2.3	All occupational pension contributions by the employee are matched with an agreed amount from the employer.	Employer contributes 21.30% plus a fixed sum of £6,170 per annum as the Employer's Deficit amount, which is paid monthly throughout the year.	The correct superannuation deductions were made for employees for the 2 payroll runs reviewed during the audit.	None required.
2.4	All pension deductions are forwarded to the pension provider	All deductions for pension are made to Notts County Council.	According to the bank statements, £2,808.10 was sent to Notts CC on 14 <sup>th</sup> November 2025 for that month's payroll; and £2,888.08 was submitted on 15 <sup>th</sup> December 2025 for that month.	None required.

## EDWINSTOWE INTERNAL AUDIT REPORT

**System:** Purchase Ledger

**Auditor:** Ken Goddard

**Date:** April 2026

**Control Objective 3. To ensure all payments made for goods/services are authorised and legitimate.**

3.1	There are guidelines to be followed when purchasing goods/services for the Council.	There is a policy statement regarding purchases.	Seen during audit.	None required
3.2	Invoices are stamped and their details entered onto financial records.	All invoices are stamped and initialled as being paid.	All invoices for November 2025 were reviewed and all were found to bear a PAID stamp.	None required
3.3	Payment is authorised by Members.	All payments are submitted to the Members of the Council/Finance and Audit Committee who authorise payment.	Payments to be made are submitted to Members for approval and signature.	None required
3.4	All VAT on payments is recorded for VAT return purposes.	All invoices are input to the SCRIBE system which identifies the VAT elements.	Evidence seen during the audit.	None required.

## EDWINSTOWE INTERNAL CONTROL QUESTIONNAIRE

**System: Income**

**Auditor: Ken Goddard**

**Date: April 2026**

**Control Objective 4. : To ensure all expected income is received, recorded and banked.**

Ref	Expected Control	Actual Control	Test Findings & Recommendations	Council's Response and Target Date
4.1	All income is supported by an out-going invoice.	An invoice is sent to all customers of the Council	Seen during the audit.	None required.
4.2	All invoices are based on current approved rates or fees.	Fees for the coming year are reviewed and adjusted by the Finance and Audit Committee	This is part of the annual budget exercise.	None required.
4.3	All receipts are banked in a timely manner	All monies received are banked in a timely manner.	All income for the invoices checked were traced back to bank statements and found to have been received correctly.	None required.

## EDWINSTOWE INTERNAL AUDIT REPORT

**System:** VAT Returns

**Auditor:** Ken Goddard

**Date:** April 2026

**Control Objective 5. To ensure that VAT is accounted for correctly on sales and purchases and a VAT Return Submitted promptly to HMRC.**

Ref	Expected Control	Actual Control	Test Findings & Recommendations	Council's Response and Target Date
5.1	The Accounting System holds all the current VAT rates.	When there is VAT rate change, the file in the SCRIBE system is updated.	Assured during the audit. All VAT was calculated at the current rates.	None required.
5.2	VAT is correctly identified on all Purchase transactions	On all purchase transactions the gross amount is entered for each good/service and the computer automatically calculates the VAT using the appropriate rate indicated by the operator. The invoice will show the split between the net and VAT amounts.	On the 20 purchase invoices checked for November 2025, VAT had been specified and the system showed net, VAT and gross amounts.	None required.
5.3	VAT is correctly accounted for when making the VAT returns to HMRC.	The Accounts system includes all VAT elements from the sales and purchase ledgers when producing the VAT returns.	VAT amounts for the 20 invoices checked were traced back to the VAT return and were found to have been accurately included on the VAT claim.	None required.
5.4	Any VAT refunds are received by the Council.	HMRC refund any monies owed to the Council in respect of Vat.	The claim for October-December 2025 of £1,600.41 was received on 23 January 2026 according to the bank statement.	None required.

## EDWINSTOWE INTERNAL AUDIT REPORT

**System: Bank Reconciliations**

**Auditor: Ken Goddard**

**Date: April 2026**

**Control Objective 6: To ensure regular control over bank accounts is achieved through bank reconciliations**

Ref	Expected Control	Actual Control	Test Findings & Recommendations	Council's Response & Target date
61.	Only bank accounts authorised by the Council are used for Council business	The Council operates one bank account with Unity Trust Bank.	Seen during a review of bank statements.	None required.
6.2	Specimen signatures are held by the bank.	All authorised signatories have submitted specimen signatures to the bank.	Seen during the audit.	None required.
6.3	Reconciliations are carried out of bank accounts by someone independent of officers who are responsible for deposits into and withdrawals out of these bank accounts	Bank reconciliations are carried out by the Clerk using the SCRIBE computer system.	The bank reconciliations for April-May 2025 were checked and found to be correct. Bank figures were checked back and agreed to the Cash Book totals.	None required.
6.4	All unreconciled items from previous months are investigated.	All outstanding items from one month's reconciliation are resolved during the next reconciliation.	None noted during the audit.	None required.

6.5	Members view and approve the Bank Reconciliations	Monthly and year-end bank reconciliations are presented to Members for review and sign-off.	<p>There is no evidence that Members check and approve each month's bank reconciliations although the printout indicates this should happen</p> <p><b>RECOMMENDATION:</b>  As part of their Governance responsibility, Members should review and approve by signature each month's bank reconciliation printout.</p>	
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## INTERNAL CONTROL REPORT

System: Risk Management

Auditor: Ken Goddard

Date: April 2026

**Control Objective 7. To ensure that the Council has an adequate Risk Management Register in Place.**

Ref	Expected Control	Actual Control	Test Findings & Recommendations	Council's Response & Target date
7.1	A Risk Management Register exists.	A Risk Assessment Policy has been developed and is in place.	Initiated in 2024.	None required
7.2	The Register covers all expected and recognised risks.	All pertinent areas of the Council's concerns are addressed in the Register.	The policy covers all relevant areas of risk.	None required.

## INTERNAL CONTROL REPORT

**System: Budgets**

**Auditor: Ken Goddard**

**Date: April 2026**

**Control Objective 8. To ensure that the Council has adequate Management over its Budget**

Ref	Expected Control	Actual Control	Test Findings & Recommendations	Council's Response & Target date
8.1	A detailed budget is produced each year	Yes - presented to the Finance and Governance Committee who approve it before forwarding it to the full Council.	The Parish Clerk and the Chair of the F & G Committee prepare a list of budget options to take to the Committee for discussion. The proposed budget for the year 2025-2026 was approved by the F & G Committee at their meeting on 8 <sup>th</sup> January 2025.	None required.
8.2	The precept is established once all budgets and expected income from other sources are identified.	Yes, so that the precept can cover all proposed expenditure with any shortfall coming from reserves.	The proposed budget of £221,600 was then submitted to full Council at their meeting on 8 <sup>th</sup> January 2025 where it was approved and accepted – refer 24/120.	None required.
8.3	Members are kept informed of progress.	The balance sheets and Income and Expenditures reports are regularly presented to Members for their information and approval.	Monthly and quarterly reports to Members were seen during the audit.	None required.

## INTERNAL CONTROL REPORT

System: Asset Management

Auditor: Ken Goddard

Date: April 2026

Control Objective 9. : To ensure registers of assets are adequately maintained.

Ref	Expected Control	Actual Control	Test Findings & Recommendations	Council's Response & Target date
9.1	A register is maintained of all assets	A financial asset register is maintained showing the purchase price, date of purchase and insurance value.	At as the start of the 2025-2026 year the fixed assets figure stood at £936,219.	None required.
9.2	All assets are included in the Council's insurance policies	Regular valuations are carried out for insurance purposes.	Property valuations were recently carried out for insurance purposes and prices were reflected on the insurance policy from 1 <sup>st</sup> June 2025. The premium, for the current policy was £8,717.00.	None required.
9.4	The value on the asset register is reconciled to the figure for fixed assets in the Balance Sheet.	This is carried out as part of preparing the end of year accounts.	Checked during the audit.	None required.