



Lincolnshire Association of Local Councils

Internal Audit Checklist 2023/24

| | | | |
|--|---|--|---------------------------------------|
| Name of Parish or Town Council | Wildmore Parish Council | | |
| Parish Council website | https://wildmore.parish.lincolnshire.gov.uk/ | | |
| Name of internal auditor | Carl Thomas | | |
| Date of audit | 02/07/24 | | |
| Type of audit (Please tick) | <input type="checkbox"/> Intermediate | <input type="checkbox"/> Year-end (including AGAR) | <input checked="" type="checkbox"/> x |
| Council contact information | Name | Email | |
| Clerk | Sarah Phillips | Clerk.wildmorepc@outlook.com | |
| RFO* if different | | | |
| Chairman* | CLlr Andrew Everard | | |
| Electorate | | Total number of seats | 9 |
| Quorum | | Number of councillor vacancies | 4 |
| Precept Demand 2023/24 | £7,769 | Gross budgeted Income | £5000 |
| Date of most recent audit | 14/05/24 | Date of next audit agreed with Clerk | |
| | Y/N | Comments | |
| Has the internal auditor seen previous audit reports including the most recent? | Y | | |
| Is there evidence that previous internal and external audit reports have been acted upon? | N | Council policies were identified to be reviewed and haven't been reviewed. There is reference to recommendations from the 2021/22 audit report but these are not identified and from the comments it suggests these have not been carried out at the time of the 2022/23 audit. | |

| Key governance review | | Y/N | Comments & recommendations | Risk ⁱ | | |
|-----------------------|--|-----|---|-------------------|-----|------|
| | | | | Low | Med | High |
| 1 | Standing Orders (tailored and reviewed) | Y | Standing Orders on website are dated May 2021 and out of date. These need reviewing. | | | X |
| 2 | Financial Regulations* (tailored and reviewed) | Y | Financial regulations on website are dated May 2016 and out of date. These need reviewing. | | | X |
| 3 | Terms of reference (committees / working groups) | Y | Personnel Committee but no terms of reference available. | | | X |
| 4 | Councillors' Code of Conduct* | Y | Code of Conduct on website last reviewed Oct 2021 and have since been renewed. These need reviewing. | | | X |
| 5 | Complaints procedure* (tailored and reviewed) | Y | Complaints Policy last reviewed Oct 2021 and need reviewing. | | | X |
| 6 | Insurance Cover <ul style="list-style-type: none"> • Reviewed annually • Certificate(s) viewed & valid • Employees' Liability Cover in place and published* • Public Liability Cover • Employees' Fidelity Guarantee • Councillors' ages reviewed and recorded • Other e.g. vehicles, assets, equipment, volunteers ... | Y | Invoice for insurance seen covering period 01/06/23 – 31/05/24. Schedule of insurance not seen, Public Liability certificate seen. | | X | |
| 7 | Council contact details available online | Y | Contact via The Clerk. | | | |
| 8 | Up to date employment contracts for all staff | Y | | X | | |
| 9 | Publication scheme in place* | N | This is a legal requirement and requires adoption as a matter of urgency | | | X |
| 10 | GDPR policies in place* <ul style="list-style-type: none"> • Record Retention Schedule • Data Breach Assessment • Process for dealing with a Subject Access Request • Security Compliance Checklist | Y | GDPR Policy on website dated Oct 2021 and needs reviewing | | | X |
| 11 | Arrangement for inspection of public records adequate* | Y | | X | | |
| 12 | External audit report published by 30 Sept (if relevant)* | Y | Certificate of Exemption | X | | |

| Transparency | | Y/N | Comments & recommendations | Risk | | |
|---|---|-----|--|------|-----|------|
| | | | | Low | Med | High |
| 13 | End of year accounts published by 1 July* | Y | | X | | |
| 14 | Annual Governance statement published by 1 July* <ul style="list-style-type: none"> • Correctly claimed exemption from audit (if relevant) | Y | | X | | |
| 15 | Internal audit report published by 1 July* | Y | | X | | |
| 16 | Agendas and meeting papers published within three clear days* | Y | | X | | |
| 17 | Past 5 years of annual returns available online* | N | 4 years available | | X | |
| 18 | Asset register published by 1 July* | Y | Available but cannot find any reference to this being approved by Council. | | X | |
| Councils under £25K turnover and over £200K (Best Practice for those under £200K): | | | | | | |
| 19 | All items of expenditure above £100 published by 1 July (over £500 for larger) | Y | Personal information may wish to be redacted. | | | X |
| 20 | Councillor responsibilities published by 1 July | N | | | X | |
| 21 | Draft minutes published within one month of the meeting | Y | | X | | |
| Councils over £200K turnover: | | | | | | |
| 22 | Senior officer salaries published* | | Not applicable | | | |
| 23 | Data on issues important to local people (e.g., parking, grants)* | | Not applicable | | | |
| 24 | Procurement information over £5,000 published* | | Not applicable | | | |

| Accounting | | Y/N | Comments & recommendations | Risk | | |
|------------|--|-----|---|------|-----|------|
| | | | | Low | Med | High |
| 25 | Cashbook maintained and up to date | Y | | X | | |
| 26 | Arithmetically correct (checks / balance) | Y | | X | | |
| 27 | Evidence of internal control | N | No evidence seen | | | X |
| 28 | VAT* <ul style="list-style-type: none"> evidence of recording evidence of reclaiming | N | No evidence of any VAT claims being submitted for some time. | | | X |
| 29 | All payments supported by authorised, minuted invoices | Y | Copies of invoices are presented at each meeting, with a slip and cheque for signature. | X | | |
| 30 | s.137* <ul style="list-style-type: none"> Recorded separately within accounts Within legal threshold limits for the current year Spend in accordance with legislation | Y | | X | | |
| 31 | Payments made in accordance with Financial Regulations <ul style="list-style-type: none"> Cheques Online banking BACS Direct Debit Credit or debit cards Other payments | Y | Although Financial regulations are out of date. | | | X |

| Budget | | Y/N | Comments & recommendations | Risk | | |
|--------|--|-----|--|------|-----|------|
| | | | | Low | Med | High |
| 32 | Annual budget in support of precept approved by full council* | N | New clerk unable to obtain budget. | | | X |
| 33 | Precept demand properly minuted* | Y | Jan 2023 minutes | X | | |
| 34 | Earmarked reserves reviewed | N | No evidence that these have been reviewed or what they are if any. | | | X |
| 35 | Budget is monitored regularly with variances reported to council in line with Financial Regulations <ul style="list-style-type: none"> Variances from budget explained | N | No evidence of budget monitoring throughout the year. | | | X |

| Income control | | Y/N | Comments & recommendations | Risk | | |
|----------------|--|-----|----------------------------|------|-----|------|
| | | | | Low | Med | High |
| 36 | Income properly recorded and banked promptly | Y | | X | | |
| 37 | Precept income received in bank account | Y | | X | | |
| 38 | Effective security of cash and cash transactions | | | | | |
| 39 | Effective security of card transactions | | | | | |

| Bank reconciliation | | Y/N | Comments & recommendations | Risk | | |
|---------------------|--|-----|--|------|-----|------|
| | | | | Low | Med | High |
| 40 | Regular bank statement reconciliation | Y | | | | |
| 41 | Balancing entries (adjustments) explained | NA | | | | |
| 42 | Bank mandate up to date • Evidence of signatories | Y | 2 signatories presently available. Currently under review. | | X | |

| Petty cash | | Y/N | Comments & recommendations | Risk | | |
|------------|---|-----|---|------|-----|------|
| | | | | Low | Med | High |
| 43 | Petty cash account used/authorised | Y | £24 of petty cash was handed over to new clerk. This will be dispersed with once this money has been spent. Proposed to be used for postage only. | | | |
| 44 | Petty cash spending supported by VAT receipt(s) | Y | | | | |
| 45 | Petty cash reported to Council | Y | | | | |
| 46 | Petty cash float reconciled/reimbursed | Y | | | | |
| 47 | Other | Y | | | | |

| Year-end process | | Y/N | Comments & recommendations | Risk | | |
|------------------|-------------------------|-----|----------------------------|------|-----|------|
| | | | | Low | Med | High |
| 48 | Accounting according to | Y | R&P | X | | |

| | | | | | | |
|----|---|---|---|---|---|--|
| | <ul style="list-style-type: none"> Income and expenditure Receipts and payments | | | | | |
| 49 | Bank statements reconcile to ledger | Y | | X | | |
| 50 | Robust audit trail evident | N | There is little evidence of auditing of accounts. No budget monitoring. Bank balances are reported through minutes. No accounting statements presented. | | X | |
| 51 | Debtors and creditors recorded | Y | | X | | |
| 52 | Other | | | | | |

| Asset control | | Y/N | Comments & recommendations | Risk | | |
|---------------|--|-----|---|------|-----|------|
| | | | | Low | Med | High |
| 53 | Register of assets* <ul style="list-style-type: none"> Exists Reviewed Up to date | Y | Asset register available. No evidence that this has been reviewed through the year. | | X | |
| 54 | Assets inspected and Health & Safety issues considered* <ul style="list-style-type: none"> Play equipment Street furniture Fire safety Defibrillators Other | Y | Inspections undertaken by councillor and clerk. Log kept. | X | | |

| Risk management | | Y/N | Comments & recommendations | Risk | | |
|-----------------|---|-----|--|------|-----|------|
| | | | | Low | Med | High |
| 55 | Risk Register / Management scheme in place | N | There is no risk management policy or register. | | | X |
| 56 | Annual risk assessment undertaken as a minimum | Y | No evidence that this has been reviewed | | | X |
| 57 | Financial controls and procedures documented | Y | No evidence that this has been reviewed | | | X |
| 58 | Regular financial reporting to Council in line with Financial Regulations | Y | Bank balances and payments approved through minutes. | | X | |
| 59 | Reporting of bank balances minuted | Y | | X | | |
| 60 | Grants ratified and minuted according to policy | Y | No grants awarded. | X | | |
| 61 | Evidence of unusual activity from minutes | X | | | | X |

| General | | Y/N | Comments & recommendations | Risk | | |
|---------|--|-----|----------------------------|------|--|--|
|---------|--|-----|----------------------------|------|--|--|

| | | | | Low | Med | High |
|----|---|---|--|-----|-----|------|
| 62 | General Power of Competence <ul style="list-style-type: none"> • Council eligible • General Power of Competence adopted/ up to date | N | | X | | |
| 63 | Back up of files adequate | N | There appears to be no back up system | | | X |
| 64 | Storage of files (paper and electronic) adequate | | Laptop at Clerks home and a locked filing cabinet in the village hall. | X | | |
| 65 | Local Council Award Scheme <ul style="list-style-type: none"> • Foundation • Quality • Quality Gold | N | | | | |
| 66 | Website Accessibility Statement published online* | N | | | | X |

| Proper Process / Practice | | Y/N | Comments & recommendations | Risk | | |
|---------------------------|--|-----|-----------------------------|------|-----|------|
| | | | | Low | Med | High |
| 67 | Employee posts properly recorded/ correct job descriptions <ul style="list-style-type: none"> • Proper Officer (Clerk) • RFO • Deputy Clerk • Admin assistant • Site staff • Other | Y | | X | | |
| 68 | List of Members' interests* <ul style="list-style-type: none"> • displayed on website • reviewed regularly | Y | Available via ELDC website. | X | | |
| 69 | Declarations of acceptance of office* <ul style="list-style-type: none"> • New Councillor • Chairman | Y | | X | | |
| 70 | Co-options according to policy | Y | No cop options policy | X | | |
| 71 | Agenda documents correct | Y | | X | | |
| 72 | Minutes correct / signed* | Y | | X | | |
| 73 | Council-owned email address account in place | N | | | X | |
| 74 | Purchase order system used/correct | N | | X | | |

| | | | | | | |
|-----------|---|----------|---|---|--|---|
| 75 | Purchasing authorised in line with Financial regs / limits | Y | Although Financial Regulations are out of date. | | | X |
| 76 | Council operating within legal powers* • Legal powers identified in minutes | Y | | X | | |
| 77 | Delegation to officers or committees • Scheme of delegation • Limits set out in financial regulations and / or standing orders; • adhered to; • reported adequately | N | No scheme of delegation in place | | | X |

| Payroll & HR | | Y/N | Comments & recommendations | Risk | | |
|--------------|--|----------|---------------------------------|------|-----|------|
| | | | | Low | Med | High |
| 78 | Written statement of particulars for all staff from day one (April 2020 onwards)* | Y | | X | | |
| 79 | Proper procedures for payroll, PAYE & NI* | Y | Using HMRC basic payroll | X | | |
| 80 | Is payroll inhouse or external provider used? | Y | In-House | X | | |
| 81 | PAYE & NI payments verified | N | | | | |
| 82 | Approval of salaries and increments | Y | | | | |
| 83 | Approval of expense claims | Y | Approved through minutes | | | |
| 84 | Minimum wage threshold met | Y | | | | |
| 85 | HR procedures and policies adopted / reviewed | N | No HR Policies | | | |
| 86 | Training policy and record staff /elected Members | N | No Training Policies in place | | X | |
| 87 | Qualified Clerk • CiLCA 2015 or later • Level 4 Community Governance or higher | N | | X | | |
| 88 | Annual appraisals undertaken | N | Only bene in post a few months. | X | | |

| | | | | | | | | |
|---|---|---|-------|---|---|------------|------------|--|
| 89 | Job description up to date / reviewed | | | | | | | |
| 90 | Health and safety of staff workstation & PC equipment undertaken * <ul style="list-style-type: none"> Display Screen Equipment | | | | | | | |
| 91 | Adequate Pension provision in place | | LGPS | | | Tick | | |
| | | | NEST | | | Tick | | |
| | | | Other | | | Identify | | |
| | <ul style="list-style-type: none"> Automatic Enrolment for Staff* | | Y | | N | | DD/MM/YYYY | |
| | <ul style="list-style-type: none"> Opt Out Evidenced* | | Y | | N | | DD/MM/YYYY | |
| | <ul style="list-style-type: none"> Declaration of Compliance* | | Y | | N | | DD/MM/YYYY | |
| <ul style="list-style-type: none"> Redeclaration of Compliance | | Y | | N | | DD/MM/YYYY | | |

Transaction spot check

| Check number | 1 | 2 | 3 | 4 | 5 | 6 |
|---------------------------|---|---|---|---|---|---|
| Ledger date | | | | | | |
| Item / budget heading | | | | | | |
| Reference / Cheque number | | | | | | |
| Order minute reference | | | | | | |
| Delivery evidence | | | | | | |
| Payment minute reference | | | | | | |
| Invoice value | | | | | | |
| Minute value | | | | | | |
| Payment value | | | | | | |
| Statement value | | | | | | |
| Timely payment | | | | | | |
| VAT recorded | | | | | | |
| S137 recorded in ledger | | | | | | |
| S137 minuted | | | | | | |
| Notes | | | | | | |

Appendix: Additional Areas for Audit (Council Specific)

| | Allotments | Y/N | Comments & Recommendations | Risk | | |
|----|---|-----|----------------------------|------|-----|------|
| | | | | Low | Med | High |
| A1 | Income for allotment rentals balance | | | | | |
| A2 | Fees charged in accordance with approved rates | | | | | |
| A3 | Up to date occupancy details kept and securely retained | | | | | |
| A4 | Agreements/licences issued to all plot holders | | | | | |
| A5 | Other | | | | | |

| | Burials | Y/N | Comments & Recommendations | Risk | | |
|-----|---|-----|----------------------------|------|-----|------|
| | | | | Low | Med | High |
| B1 | Cemetery accounts balance | | | | | |
| B2 | Fees charged in accordance with approved rates | | | | | |
| B3 | All interred ashes have certificates of cremation* | | | | | |
| B4 | Permits properly documented and stored* | | | | | |
| B5 | Cemetery regulations adopted and up to date | | | | | |
| B6 | Registers of burials and purchased graves completed correctly and stored safely* | | | | | |
| B7 | Burial certificates issued correctly | | | | | |
| B8 | Green slips returned appropriately to Registrar | | | | | |
| B9 | Legible cemetery burial plan up to date* <ul style="list-style-type: none"> backed up if appropriate | | | | | |
| B10 | Business rates exemptions correctly applied | | | | | |

| | Charities | Y/N | Comments & Recommendations | Risk | | |
|----|---|-----|----------------------------|------|-----|------|
| | | | | Low | Med | High |
| C1 | Accounted for separately | | | | | |
| C2 | Independently audited* | | | | | |
| C3 | Returns filed within legal time limits* | | | | | |

| | Community buildings | Y/N | Comments & Recommendations | Risk | | |
|-----|---------------------|-----|----------------------------|------|-----|------|
| | | | | Low | Med | High |
| Cb1 | | | | | | |
| Cb2 | | | | | | |
| Cb3 | | | | | | |

| | Markets | Y/N | Comments & Recommendations | Risk | | |
|----|---|-----|----------------------------|------|-----|------|
| | | | | Low | Med | High |
| M1 | Income for stall hire balances | | | | | |
| M2 | Fees charged in accordance with approved rates | | | | | |
| M3 | Up to date occupancy details kept and securely retained | | | | | |
| M4 | Statutory records kept / stored safely | | | | | |
| M5 | Agreements/licences issued to all stall holders | | | | | |
| M6 | Other | | | | | |

| | Other | Y/N | Comments & Recommendations | Risk | | |
|----|-------|-----|----------------------------|------|-----|------|
| | | | | Low | Med | High |
| O1 | | | | | | |
| O2 | | | | | | |
| O3 | | | | | | |

Endnotes

High and medium risk items may lead to the internal auditor stating that the Council does not comply with one or more assertions on the AGAR form at the end of the financial year.

ⁱ **High risk** – these items should be dealt with as a **high priority** because they may affect one or more of the following – statutory and must be done, high financial risk which could reveal the council to losses, not compliant with Proper Practices in the Practitioners’ Guide, high risk of reputational damage, failure to comply may lead to penalties, prosecution or legal action.

Medium risk – these items need to be improved to meet one or more of the following - statutory requirements, support internal control, reduce the risk of financial loss and reputational damage, improve governance, improve compliance with proper practices in the Practitioners’ Guide, and to improve procedures that should be in place.

Low risk – these items are usually **best practice** to improve governance, internal control, transparency, efficiency and effectiveness.

*-Asterisked items are statutory requirements and should be in place where applicable.