



Lincolnshire Association of Local Councils

Internal Audit Checklist 2022/23

Name of Parish or Town Council	HUNDLEBY PARISH COUNCIL		
Parish Council website	https://hundleby.parish.lincolnshire.gov.uk/		
Name of internal auditor	VICTORIA CLARK		
Date of audit	3/2/2023		
Type of audit (Please tick)	<input checked="" type="checkbox"/> Intermediate	<input type="checkbox"/> x	<input type="checkbox"/> Year-end (including AGAR)
Council contact information	Name	Email	
Clerk	JANE SLAYMAKER	clerk.hundleby.pc@gmail.com	
RFO* if different			
Chairman*	Lynette Corten-Miller	cllr.cortenmiller.hundleby.pc@gmail.com	
Electorate	378	Total number of seats	8
Quorum	3	Number of councillor vacancies	2
Precept Demand 2022/23	£4672	Gross budgeted Income	£4672 +£1000 hall hire+ £300 allotment rent
Date of most recent audit	4 MAY 2022	Date of next audit agreed with Clerk	TBA
	Y/N	Comments	
Has the internal auditor seen previous audit reports including the most recent?	Y	On website	
Is there evidence that previous internal and external audit reports have been acted upon?	Y		

Key governance review		Y/N	Comments & recommendations	Risk ⁱ		
				Low	Med	High
1	Standing orders (tailored and reviewed)	Y	On website - Last revised 2020 Needs reviewing		X	
2	Financial regulations* (tailored and reviewed)	Y	On Website – on page one it states re-adopted 03.05.23 please correct date Also, date at the top of the page is good for transparency		X	
3	Terms of reference (committees / working groups)	Y	On website – Name of council to be added to the top of the page & dates at the top of the page is good for transparency	X		
4	Code of Conduct* (elected members)	Y	On website and up to date	X		
5	Complaints procedure* (tailored and reviewed)	Y	On website – If you have a change of council in May 2023 it might be better to review the policy soon after and not wait until December 2024	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	On website	X		
7	Council contact details available online	Y	On website to contact through the Clerk	X		
8	Up to date employment contracts for all staff	Y		X		
9	Publication scheme in place*	Y		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	Security compliance checklist required? Taking Subject Access Request to Nov meeting!		X	
11	Arrangement for inspection of public records adequate*	Y		X		

12	External audit report published by 30 Sept (if relevant)*	NA		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	To 20/21 only – If found then these will be put on. If not already tried, you may like to ask the external auditors		X	
18	Asset register published by 1 July*	Y		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	In minutes	X		
20	Councillor responsibilities published by 1 July	Y		X		
21	Draft minutes published within one month of the meeting	Y		X		
Councils over £200K turnover:		N/A				
22	Senior officer salaries published*					

23	Data on issues important to local people (e.g., parking, grants)*					
24	Procurement information over £5,000 published*					

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			X		
28	VAT* <ul style="list-style-type: none"> evidence of recording evidence of reclaiming 	Y		X		
29	All payments supported by authorised, minuted invoices	Y		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	Scribe has a separate report for S137	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		X		

Budget		Y/N	Comments & recommendations	Risk		
				Low	Med	High
32	Annual budget in support of precept approved by full council*	Y		X		
33	Precept demand properly minuted*	Y		X		

34	Earmarked reserves reviewed	Y		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 	Y	Reported quarterly	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	Y		X		
39	Effective security of card transactions	NA				

Bank reconciliation		Y/N	Comments & recommendations	Risk		
				Low	Med	High
40	Regular bank statement reconciliation	Y		X		
41	Balancing entries (adjustments) explained	Y		X		
42	Bank mandate up to date <ul style="list-style-type: none"> • Evidence of signatories 	Y	Approval settings on banking website Clerk & finance committee aware	X		

Petty cash		Y/N	Comments & recommendations	Risk		
				Low	Med	High
43	Petty cash account used/authorised	NA				
44	Petty cash spending supported by VAT receipt(s)	NA				
45	Petty cash reported to Council	NA				
46	Petty cash float reconciled/reimbursed	NA				
47	Other					

Year-end process		Y/N	Comments & recommendations	Risk		
				Low	Med	High
48	Accounting according to <ul style="list-style-type: none"> Income and expenditure Receipts and payments 	Y		X		
49	Bank statements reconcile to ledger	Y		X		
50	Robust audit trail evident	Y		X		
51	Debtors and creditors recorded	NA				
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		X		
54	Assets inspected and Health & Safety issues considered* <ul style="list-style-type: none"> Play equipment Street furniture Fire safety Defibrillators Other 	Y	November 2022	X		

Risk management		Y/N	Comments & recommendations	Risk		
				Low	Med	High
55	Risk management scheme in place	Y		X		
56	Annual risk assessment undertaken as a minimum	Y		X		
57	Financial controls and procedures documented	Y		X		
58	Regular financial reporting to Council in line with Financial regulations	Y		X		
59	Reporting of bank balances minuted	Y		X		
60	Grants ratified and minuted according to policy	NA	A grant policy could be adopted	X		
61	Evidence of unusual activity from minutes	N		X		

General		Y/N	Comments & recommendations	Risk		
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				Low	Med	High
62	GPC <ul style="list-style-type: none"> • Council eligible • GPC adopted/ up to date 	N		X		
63	Back up of files adequate	Y	Accountancy software cloud based. Weekly back-ups of laptop documents	X		
64	Storage of files (paper and electronic) adequate	Y	Filing cabinet	X		
65	Local Council Award Scheme <ul style="list-style-type: none"> • Foundation • Quality • Quality Gold 	N		X		
66	Website Accessibility Statement published online*	Y	Last checked 4/1/23	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	Link from HPC website from ELDC	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		X		
71	Agenda documents correct	Y	1. The Public forum should be before the meeting starts or it is resolved to close the meeting for the forum & then		X	

			resolved to open it again to continue with the meeting. 2. For the May Annual meeting of the Parish Council the 1 st item on the agenda is the election of the Chairman & Vice Chairman if the council has one. This also applies whenever a Chairman needs to be elected			
72	Minutes correct / signed*	Y	On the Minutes it could read that the Chairman signed them	X		
73	Purchase order system used/correct	Y		X		
74	Purchasing authorised in line with Financial regs / limits	Y		X		
75	Council operating within legal powers* • Legal powers identified in minutes	Y	Legal powers shown in agenda item for each proposed purchase.	X		
76	Delegation to officers or committees • Scheme of delegation • Limits set out in financial regulations and / or standing orders; • adhered to; • reported adequately	Y	Low level delegation Not referred to in minutes...	X		

Payroll & HR		Y/N	Comments & recommendations				Risk		
							Low	Med	High
77	Written statement of particulars for all staff from day one (April 2020 onwards)*	Y					X		
78	Proper procedures for payroll, PAYE & NI*	Y					X		
79	Is payroll inhouse or external provider used?		In-house	Y	External				
80	PAYE & NI payments verified	N/A	Under NI or Tax payable amount				X		
81	Approval of salaries and increments	N/A	New Clerk				X		

82	Approval of expense claims	Y				X		
83	Minimum wage threshold met	Y				X		
84	HR procedures and policies adopted / reviewed	Y				X		
85	Training policy and record staff /elected Members	Y				X		
86	Qualified Clerk • CiLCA 2015 or later • Level 4 Community Governance or higher		Working on ILCA to CilCA qualification			X		
87	Annual appraisals undertaken	Y				X		
88	Job description up to date / reviewed	Y				X		
89	Health and safety of staff workstation & PC equipment undertaken * • Display Screen Equipment	Y				X		
90	Adequate Pension provision in place	NA	LGPS			Tick		
			NEST			Tick		
			Other			Identify		
	• Automatic Enrolment for Staff*		Y		N	DD/MM/YYYY		
	• Opt Out Evidenced*		Y		N	DD/MM/YYYY		
• Declaration of Compliance*		Y		N	DD/MM/YYYY			
• Redeclaration of Compliance		Y		N	DD/MM/YYYY			

Transaction spot check

Check number	1	2	3	4	5	6
Ledger date	6/6/22	16/6/22	31/7/22	6/10/22		
Item / budget heading	Grounds Maintenance	Asset Maintenance	Salaries	Asset Maintenance		
Reference / Cheque number	12	18	24	41		
Order minute reference	Budgeted	11.1/22	Budgeted	10.7/22		
Delivery evidence						
Payment minute reference	8.6/22	7.7/22	7.7/22	6.11/22		
Invoice value	66.00	525.00	155.90	94.54		
Minute value	66.00	525.00	155.90	94.54		
Payment value	66.00	525.00	155.90	94.54		
Statement value	N/A	N/A	N/A	N/A		
Timely payment	Y	Y	Y	Y		
VAT recorded	N/A	N/A	N/A	N/A		
S137 recorded in ledger	N/A	N/A	N/A	N/A		
S137 minuted	N/A	N/A	N/A	N/A		
Notes	RM Holmes	Jeffrey Sutton Electrical Contractor	Jane Slaymaker	Jeffrey Sutton Electrical Contractor		

Appendix: Additional Areas for Audit (Council Specific)

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

	Burials	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
B1	Cemetery accounts balance	NA				
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	NA				
C2	Independently audited*					
C3	Returns filed within legal time limits*					

	Community buildings	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
Cb1		Y	Parish Rooms managed by PC	X		
Cb2						
Cb3						

	Markets	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
M1	Income for stall hire balances	NA				
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.