

Elker Lodge Bookkeeping Services Internal Audit Service - Checklist for Year Ending 31 March 2022

Name of Council	Scrayingham PC	
No. of Councillors	7	
Name of Clerk:	vacant	
Precept	1300	
Transparency Band < 25,000	X	
£25,000 -£200,000		
>£200,000		

AGAR certificate reference	Internal Audit action for expected controls	Y/N	Comments
A. Appropriate accounting records have been properly kept throughout the year. AND I. Periodic bank account reconciliations were properly carried out during the year.	Ensure the correct roll forward of the prior year cashbook balances to the new financial year	✓	
	Check a sample of financial transactions in cashbooks to bank statements, etc: the sample size dependent on the size of the authority and nature of accounting records maintained	✓	Simple spreadsheet, small amount of transactions acceptable no powers specified, spending on maintenance of open church yard. Council have
	Ensure that bank reconciliations are prepared routinely, are subject to independent scrutiny and sign-off by members	✓	No clerk working with Vice chair
	Verify the accuracy of the year-end bank reconciliation detail and ensure accurate disclosure of the combined cash and bank balances in the AGAR, section 2, line 8.	✓	There is doubt as to the legality of this council
	Where the authority has bank balances in excess of £100,000 it has an appropriate investment strategy.	✓	
Bookkeeping	General Power of Competence (GPC) eligibility is properly evidenced?	x	The Agar has not been submitted for 5 years
	Calcar Certificate seen / 2/3 of Councillors elected	x	There is a large reserve £7744.91 and council continues to collect precept £1300
	Expenditure Legal powers identified in minutes and/or cashbook? Only applicable if no General Power of Competence	x	The council needs to consider using the reserve to the benefit of the parish or reducing or stopping collecting the precept
	S137 separately recorded and within limits?	n/a	
	S137 expenditure of direct benefit to electorate?	n/a	Digital copies of data need saving to a cloud that can be accessed by more than one person
	S137 expenditure minute	n/a	
	Financial Regulations properly tailored to council?	x	Cllr's need to remember they have signed a declaration of acceptance of acceptance of office to uphold Duties & Responsibilities and work within powers
	Purchasing authority defined in Financial Regulations?	x	
	Financial Risk / Internal Controls Checklist – evidence of random checks	x	Recommend a YLCA Whole Council Training Session.
Financial risk Assessment - Annual - Process / team working / random Checks, doc in minutes	x		

	Adequate internal controls for payments? Including adequate arrangements for BACS payments, direct debits and standing orders? Split Roles	x	I am very concerned that the last 5 years accounts are unaudited
	External Audit - has council correctly declared itself exempt from? If so which return	No	In 2021 29/7/2021 £35,000 came into the account 29/7/2021 (Then £5179.91 £34820.40 totalling £40000.31) £5000.31 of public money spent ? power to spend ? power to act ? what spent on ? Legal ? who has benefitted, as the council dont own property, ? power to spend ? land owners need to repay the council the public money £5000.31
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT appropriately accounted for.	Review the procedures in place for acquisition of formal tenders and quotes, ensuring they are in line with the SOs and FRs which should be based on the latest version.	n/a	
	Ensure that consistent values are in place for the acquisition of formal tenders between SOs and FRs (frequently different limits are recorded in the two documents)	n/a	
	Review the procedures for receipt of invoices, agreement of invoice detail and confirmation of goods /services delivery and approval for payment: ideally, a suitably designed certification stamp should be in place providing for evidencing of these checks and payments	✓	
	Check that there is effective segregation between the writing of cheques or the setting up of online payments, and physical release of payments providing for evidencing of these checks and payment authorisation	✓	
	Check that VAT reclaim forms are prepared and submitted in a timely manner in line with the underlying records and in accordance with current HMRC requirements	✓	
	Where debit / credit cards are in use, establish the total monthly and individual transaction limits and ensure appropriate controls over physical security and usage of the cards are in place	n/a	
Budget / Reserves	Annual budget to support precept? Calculated expenses less income not inc precept – not just a % inflation increase – suggests council is not responsive.		No budget done
	Has budget been discussed and adopted by council? In minutes		
	Precept demand to invoicing authority correctly minuted? In Full Council nor Committee minutes		
	Is there a grant element of Precept. i.e YCC / instead S106 - MHCLG Precept Data		
	Budget against spend comparisons provided regularly to the Council with bank reconciliation.? In minutes		
	Any reserves earmarked?	no	
	Level of general reserves within Proper Practice? le between 3 and 12 months running costs		General reserve is high for parish size
	Any unexplained variances from budget?		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	Ensure that authorities have prepared, and formally adopted, at least once annually, an appropriate and comprehensive register of assessed risks, both regular and ad hoc.		
	Ensure that appropriate levels of insurance cover are in place for land, buildings, public, employers' and hirers' (where applicable) liability, fidelity / employees (including councillors) liability, business interruption and cyber security		
	Ensure that appropriate arrangements are in place for monitoring play areas, open spaces and sports pitches: such reviews should be undertaken by appropriately qualified external inspectors or, if by officers or members, that they have received the appropriate training and accreditation	n/a	
	Review the effectiveness of internal control carried out by the authority		

D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.		Ensure that the full Authority, not a committee, has considered, approved and adopted the annual precept for the coming year in accordance with the required parent Authority timetable	n/a	
		appropriate commentary on any significant variances		
		Review the budget performance either during the year or at the financial year-end seeking explanations for any significant or unanticipated variances	no	
		Ensure that the Authority has considered the establishment of specific earmarked reserves and, ideally, reviews them annually as part of the budget assessment process	no	As above reserve too high, council need to consider reducing precept demand,
		Ensure that the precept received in the accounts matches the prior year submission form to the relevant authority and the public record of precepted amounts		
E. Expected income was fully received based on correct prices, properly recorded and promptly banked; and VAT appropriately accounted for.		Review "Aged debtor" listings to ensure appropriate follow up action is in place	✓	
		Allotments: ensure that appropriate signed tenancy agreements exist, that an appropriate register of tenants is maintained identifying, that debtors are monitored.	n/a	
		Burials: ensure that a formal burial register is maintained that it is up-to-date and that a sample of interments and memorials are appropriately evidenced, that fees have been charged at the correct approved rate and been recovered within a reasonable time: (Authorities should also acquire and retain copies of Burial / Cremation certificates)	n/a	
		Hall hire: ensure that an effective diary system for bookings is in place identifying the hirer, hire times and ideally cross-referenced to invoices raised	n/a	
		Leases: ensure that leases are reviewed in a timely manner in accordance with the terms of the lease and rents similarly reviewed appropriately at the due time	n/a	
		Other variable income streams: ensure that appropriate control procedures and documentation are in existence to provide a clear audit trail through to invoicing and recovery of all such income	n/a	
		Where amounts are receivable on set dates during the year, ensure that an appropriate control record is maintained duly identifying the date(s) on which income is due and actually received / banked	n/a	
F. Petty Cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for		A number of authorities are now running down and closing their petty cash accounts and using debit / credit cards for ad hoc purchases. Consequently, a "Not covered" response is frequently required in this area	not held	
		Review the systems in place for controlling any petty cash and also cash floats (used for bar, catering, etc)		
		Check a sample of transactions during the financial year to ensure appropriate supporting documentation is held		
		Review the existence of evidenced periodic independent verification of the petty cash and any other cash floats held		
		Ensure that VAT is identified wherever incurred and appropriate		
		Physically check the petty cash and other cash floats held		
		Where bar or catering facilities are in place, ensure that appropriate cashing-up procedures are in place reconciling the physical cash takings to the till "Z" total readings		
G. Salaries to employees and allowances to members were paid in accordance with the authority's approvals, and PAYE and NI requirements were properly applied.		Ensure that, for all staff, a formal employment contract is in place together with a confirmatory letter setting out any changes to the contract	No	no clerk at present, no paye in Past
		Ensure that appropriate procedures are in place for the payment of members allowances and deduction of any tax liability		
		Ensure that, for a sample of staff salaries, gross pay due is calculated in accordance with the approved spinal point on the NJC scale or hourly rate, if off-scale, and also with the contracted hours		
		Ensure that appropriate tax codes are being applied to each employee		
		Where free or paid for software is used, ensure that it is up to date.		
		For the test sample of employees, ensure that tax is calculated appropriately		
		Check the correct treatment of Pension contributions		
		For NI, ensure that the correct deduction and employer's contributions are applied: NB. The employers allowance is not available to councils but may be used by other authorities		
		Ensure that the correct employers' pension percentage contribution is being applied		
		Ensure that for the test sample, the correct net pay is paid to the employee with tax, NI and pension contributions correctly paid to the respective agencies.		

H. Asset and investment registers were complete and accurate and properly maintained. This section/assurance should be extended to include loans to or by the authority	Tangible Fixed Assets:	Ensure that the Authority is maintaining a formal asset register and updating it routinely to record new assets at historic cost price, net of VAT and removing any disposed of / no longer serviceable assets	No	No asset register, has defibs, needs to be rebuilt
		Physically verifying the existence and condition of high value, high risk assets may be appropriate		
		Ideally, the register should identify for each asset the purchase cost and, if practicable, the replacement / insured cost, the latter being updated annually and used to assist in forward planning for asset replacement		
		Additions and disposals records should allow tracking from the prior year to the current		
	Fixed asset	Ensure that the asset value to be reported in the AGAR at section 2, line 9 equates to the prior year reported value, adjusted for the nominal value of any new acquisitions and / or disposals		
		Compare the asset register with the insurance schedule to ensure that all assets as recorded are appropriately insured or "self-insured" by the Authority		
Borrowing and Lending:	Ensure that all long-term investments (i.e., those for more than 12 month terms) are covered by the "Investment Strategy" and reported as Assets in the AGAR at section 2, line 9.			
	Ensure that the authority has sought and obtained appropriate DMO approval for all loans acquired			
	Ensure that the authority has accounted for the loan appropriately (i.e., recorded the full value of the loan. Any arrangement fee should be regarded as an admin expense) in the year of receipt			
	Ensure that the combined principal loan repayment and interest for the year is correctly recorded in the AGAR at section 2 line 5			
Assets	Ensure that the outstanding loan liability as at 31st March each year is correctly recorded in the AGAR at section 2, line 10 (value should be verified via the DMO website)			
	Where the Authority has issued loans to local bodies, they should ideally seek signed indemnities from the recipient body, or their members, agreeing to underwrite the loan debt			
	Inspected for risk and up to date inspection records exist			
	Record of deeds, articles and land register references available?			
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cashbook, supported by an adequate audit trail from underlying records and, where appropriate, debtors and creditors were properly recorded.		Whilst IAs are not required to verify the accuracy of detail to be disclosed in the AGAR, this assertion, together with the expectation of most Authorities, effectively requires IAs to ensure that the financial detail reported at <u>section 2 of the AGAR</u> reflects the detail in the accounting records maintained for the financial year. Consequently, IAs should		20/21 failed to submit / 19/20 failed to submit / 18/19 failed to submit / 17/18 failed to submit 21/22 failed to Submit
		Ensure that, where annual turnover exceeds £200,000, appropriate records are maintained throughout the year on an Income and Expenditure basis to facilitate budget reporting in that vein		
		Ensure that appropriate accounting arrangements are in place to account for debtors and creditors during the year and at the financial year-end		
K. If the authority certified itself as exempt from a limited assurance review in the prior year, it met the exemption criteria and correctly declared itself exempt.		IAs should ensure that, all relevant criteria are met (receipts and payments each totalled less than £25,000)		
		the correct exemption certificate was prepared and minuted in accordance with the statutory submission deadline		
		that it has been published, together with all required information on the Authority's website and noticeboard		
L. The authority publishes information on a free to access website / web page, up to date at the time of the internal audit in accordance with any		This test applies only to those councils covered by the £25,000 <u>External Audit exemption</u> IAs should review the Authority's website ensuring that all required documentation is published in accordance with the <u>Transparency Code</u> .	X	
		<b>Web Page - Clarity</b>	X	Needs work to bring to transparency standard
M. The authority, during the previous year, correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations.		IAs should acquire / examine a copy of the required "Public Notice" ensuring that it clearly identifies the statutory 30 working day period when the Authority's records are available for public inspection.	No	
		IAs may also check whether councils have minuted the relevant dates at the same time as approving the AGAR	No	

N. The authority complied with the publication requirements for the prior year AGAR.		IAs should ensure that the statutory disclosure / publication requirements in relation to the prior year's AGAR have been met as detailed on the front page of the current year's AGAR.	x	
O. Trust funds (including charitable) - the Council met its responsibilities as a trustee		Confirm that all charities of which the council is a Trustee are up to date with CC filing requirements	n/a	
		that the council is the sole trustee on the Charity	n/a	
		Commission register - that the council is acting in accordance with the Trust deed	n/a	
		that the Charity meetings and accounts recorded separately from those of the council	n/a	
		review the level and activity of the charity and where a risk based approach suggests such, review the Independent Examiners report	n/a	
<b>Risk Management (Financial)</b>		Does scan of minutes reveal any unusual activity?	X	current year only
		Fidelity Insurance cover appropriate and adequate? <i>Balance at 31/3 plus 50% of precept</i>	X	
<b>Transparency / Internal Controls</b>		Is the Council exempt from external audit – Annual turnover <25K		
		Is the Council compliant with the Transparency Code for Smaller Authorities? <b>Minutes</b> listed on website from April 2015	No	Requires placing on web ASAP
		<i>Draft or Approved? / Within one month / If draft why not approved?</i> <i>If approved why not replaced draft on website?</i>	No	Requires placing on web ASAP
		<b>APM &amp; APCM Minutes</b> listed on website from Apr 2015	No	Requires placing on web ASAP
		<b>Annual Parish Meeting - APM - Not a PC meeting, so must be separate</b>	No	Requires placing on web ASAP
		<b>Annual Parish Council Meeting - APCM good practice for APCM to be a separate meeting</b>	No	Requires placing on web ASAP
		<b>Minutes</b> initialled, each page identified and overall signed?		
		<b>Minutes</b> include Bank Balance		
		<b>Minutes</b> include payments reviewed & Agreed		
		<b>End of Year Accounts listed on website</b> from y/e 31/3/2016	No	Requires placing on web ASAP
		<i>Cashbooks / Budgets / Bank Reconciliations</i>		
		<b>Internal Auditor Reports listed on website</b> from y/e 31/3/2016	No	Requires placing on web ASAP
		Have points raised at the last <b>Internal Auditor</b> been addressed?		
		<b>External Auditor Reports / Audited Agar listed on website</b> from y/e 31/3/2016	No	Requires placing on web ASAP
		<b>Asset Register</b> listed on website from April 2015 <i>Check 3.1</i>	No	Requires placing on web ASAP
	<b>A list of councillor responsibilities</b>			
	Arrangements for <b>public inspection</b> of council's records exist? <i>Dates when they were open – 30 working days including 1st 10 working days of July</i>			
<b>Due Process &amp; Policies</b>		<b>ICO</b> licence - ICO Model Publication Scheme 2014	paid	
		Has the Council done a <b>data audit</b> ? Remove personal information	small	
		<b>Notice of meeting</b> displayed with 3 clear working days' notice in a conspicuous place	agenda	
		<b>Summons</b> signed, and issued to councillors with agenda, with 3 clear days' notice? <i>? Agenda used</i>	Agenda	