



Lincolnshire Association of Local Councils

Internal Audit Checklist 2022/23

Name of Parish or Town Council	Aubourn with Haddington Parish Council		
Parish Council website	https://aubourn-haddington.parish.lincolnshire.gov.uk/		
Name of internal auditor	Tony Shaw		
Date of audit	26/04/2023		
Type of audit (Please tick)	<input type="checkbox"/> Intermediate	<input type="checkbox"/>	<input type="checkbox"/> Year-end (including AGAR) 2023
Council contact information	Name	Email	
Clerk	Kerrie Vickers	aubournhaddingtonpc@outlook.com	
RFO* if different			
Chairman*	John Mosedale	cllrjohn.mosedale@gmail.com	
Electorate		Total number of seats	5
Quorum	3	Number of councillor vacancies	1
Precept Demand 2022/23	£18,170	Gross budgeted Income	
Date of most recent audit	24/06/22	Date of next audit agreed with Clerk	
	Y/N	Comments	
Has the internal auditor seen previous audit reports including the most recent?	N		
Is there evidence that previous internal and external audit reports have been acted upon?			

Key Governance Review		Y/N	Comments & Recommendations	Risk		
				Low	Med	High
1	Standing orders (tailored and reviewed)	Y	Adopted 13/03/23	✓		
2	Financial regulations* (tailored and reviewed)	Y	Adopted 13/02/23	✓		
3	Terms of reference (committees / working groups)	N/A	No committees at present but Council will be looking at the creation of a HR committee in 2023/24	✓		
4	Code of Conduct* (elected members)	Y	Adopted 25/07/22	✓		
5	Complaints procedure* (tailored and reviewed)	N	Recommend adoption of a procedure		✓	
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	Zurich, due for renewal end May 23	✓		
7	Council contact details available online	Y		✓		
8	Up to date employment contracts for all staff	Y	Only staff is the Clerk	✓		
9	Publication scheme in place*	N	Recommend adoption		✓	
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 	N	New clerk has these policies on an action list		✓	
11	Arrangement for inspection of public records adequate*	Y		✓		
12	External audit report published by 30 Sept (if relevant)*	Y		✓		

Transparency		Y/N	Comments & Recommendations	Risk		
				Low	Med	High
13	End of year accounts published by 1 July*	Y		✓		
14	Annual Governance statement published by 1 July* • Correctly claimed exemption from audit (if relevant)	Y		✓		
15	Internal audit report published by 1 July*	Y		✓		
16	Agendas and meeting papers published within three clear days*	Y		✓		
17	Past 5 years of annual returns available online*	Y		✓		
18	Asset register published by 1 July*	N	Asset register out of date. To be reviewed in 2023/24		✓	
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		✓		
20	Councillor responsibilities published by 1 July	Y		✓		
21	Draft minutes published within one month of the meeting	Y		✓		
Councils over £200K turnover:						
22	Senior officer salaries published*	N/A				
23	Data on issues important to local people (e.g. parking, grants)*	N/A				
24	Procurement information over £5,000 published*	N/A				

Accounting		Y/N	Comments & Recommendations	Risk		
				Low	Med	High
25	Cashbook maintained and up to date	Y		✓		
26	Arithmetically correct (checks / balance)	Y		✓		
27	Evidence of internal control	Y		✓		
28	VAT* <ul style="list-style-type: none"> Evidence of recording Evidence of reclaiming 	Y	VAT reclaimed for 2021/22	✓		
29	All payments supported by authorised, minuted invoices	Y		✓		
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		✓		
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	Clerk plans to introduce a quarterly reconciliation/audit process	✓		

Budget		Y/N	Comments & Recommendations	Risk		
				Low	Med	High
32	Annual budget in support of precept approved by full council*	Y		✓		
33	Precept demand properly minuted*	Y		✓		
34	Earmarked reserves reviewed	N/A	Only hold general reserves			
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		✓		

Income Control		Y/N	Comments & Recommendations	Risk		
				Low	Med	High
36	Income properly recorded and banked promptly	N	Income only recorded for annual budget exercise and AGAR. Recommended income is recorded on the ledger, as per expenditure	✓		
37	Precept income received in bank account	Y		✓		
38	Effective security of cash and cash transactions	N/A	No cash handled			
39	Effective security of card transactions	N/A	No card transactions			

Bank Reconciliation		Y/N	Comments & Recommendations	Risk		
				Low	Med	High
40	Regular bank statement reconciliation	Y	Reconciled monthly	✓		
41	Balancing entries (adjustments) explained	Y		✓		
42	Bank mandate up to date • Evidence of signatories	Y	Online banking. Clerk creates payments. Two signatories authorise the payments	✓		

Petty Cash		Y/N	Comments & Recommendations	Risk		
				Low	Med	High
43	Petty cash account used/authorised	N/A	No petty cash			
44	Petty cash spending supported by VAT receipt(s)	N/A	No petty cash			
45	Petty cash reported to Council	N/A	No petty cash			
46	Petty cash float reconciled/reimbursed	N/A	No petty cash			
47	Other	N/A	No petty cash			

Year-end Process		Y/N	Comments & Recommendations	Risk		
				Low	Med	High
48	Accounting according to • Income and expenditure • Receipts and payments	Y	Receipts and Payments	✓		
49	Bank statements reconcile to ledger	Y		✓		
50	Robust audit trail evident	Y		✓		
51	Debtors and creditors recorded	Y		✓		
52	Other	Y		✓		

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 	N	Out of date. On action plan to be reviewed in 2023/24		✓	
54	Assets inspected and Health & Safety issues considered* <ul style="list-style-type: none"> • Play equipment • Street furniture • Fire safety • Defibrillators • Other 	Y	External contractor checks street lights. Internal checks carried out on a regular basis on bus shelters, benches and fire hydrants	✓		

Risk Management		Y/N	Comments & Recommendations	Risk		
				Low	Med	High
55	Risk management scheme in place	N	This is in progress		✓	
56	Annual risk assessment undertaken as a minimum	N			✓	
57	Financial controls and procedures documented	Y		✓		
58	Regular financial reporting to Council in line with Financial regulations	Y		✓		
59	Reporting of bank balances minuted	Y		✓		
60	Grants ratified and minuted according to policy	N/A	No grants made			
61	Evidence of unusual activity from minutes	N		✓		

General		Y/N	Comments & Recommendations	Risk		
				Low	Med	High
62	GPC <ul style="list-style-type: none"> • Council eligible • GPC adopted/ up to date 	N		✓		
63	Back up of files adequate	Y	Electronic files are stored in the cloud	✓		
64	Storage of files (paper and electronic) adequate	Y	Paper files are stored securely in the clock tower building or at the Clerk's home office	✓		

65	Local Council Award Scheme <ul style="list-style-type: none"> • Foundation • Quality • Quality Gold 	N		✓		
66	Website Accessibility Statement published online*	Y		✓		

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	Clerk job description needs reviewing	✓		
68	List of Members' interests* <ul style="list-style-type: none"> • Displayed on website • Reviewed regularly 	Y	Link through to North Kesteven	✓		
69	Declarations of acceptance of office* <ul style="list-style-type: none"> • New Councillor • Chairman 	Y		✓		
70	Co-options according to policy	Y	As per standing orders, no separate policy	✓		
71	Agenda documents correct	Y		✓		
72	Minutes correct / signed*	Y		✓		
73	Purchase order system used/correct	N/A				
74	Purchasing authorised in line with Financial regs / limits	Y		✓		
75	Council operating within legal powers* <ul style="list-style-type: none"> • Legal powers identified in minutes 	Y		✓		
76	Delegation to officers or committees <ul style="list-style-type: none"> • Scheme of delegation • Limits set out in financial regulations and / or standing orders; • Adhered to; • Reported adequately 	N	Recommend a Scheme of Delegation		✓	

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					✓			
78	Proper procedures for payroll, PAYE & NI*	Y	HMRC Basic Tools				✓			
79	Is payroll inhouse or external provider used?	Y	In-house	Y	External		✓			
80	PAYE & NI payments verified	Y					✓			
81	Approval of salaries and increments	N	Plan for council to adopt a HR Committee to undertake annual appraisals and salary reviews					✓		
82	Approval of expense claims	Y					✓			
83	Minimum wage threshold met	Y					✓			
84	HR procedures and policies adopted / reviewed	N	Clerk is looking to present model policies to council for adoption				✓			
85	Training policy and record staff /elected Members	N	No policy in place				✓			
86	Qualified Clerk <ul style="list-style-type: none"> • CiLCA 2015 or later • Level 4 Community Governance or higher 	N					✓			
87	Annual appraisals undertaken	N	See response to item 81					✓		
88	Job description up to date / reviewed	N	Job description needs reviewing					✓		
89	Health and safety of staff workstation & PC equipment undertaken * <ul style="list-style-type: none"> • Display Screen Equipment 	N	Clerk works from home and is happy with working environment				✓			
90	Adequate Pension provision in place	N	LGPS		Tick		✓			
			NEST		Tick					
			Other		Identify					
		• Automatic Enrolment for Staff*	N/A	Y		N		DD/MM/YYYY		
		• Opt Out Evidenced*	N/A	Y		N		DD/MM/YYYY		
	• Declaration of Compliance*	N/A	Y		N		DD/MM/YYYY			
	• Redeclaration of Compliance	N/A	Y		N		DD/MM/YYYY			

Transaction Spot Check

Check number	1	2	3
Ledger date	30/08/2022	27/05/2022	06/08/2022
Item / budget heading	Bench materials	Cleaning War Memorial	Grass cutting
Reference / Cheque number	Cheque 487 (on ledger)	Cheque 471 (on ledger)	Cheque 466 (on ledger)
Order minute reference			
Delivery evidence			
Payment minute reference	Minutes 27/09/22 Item "Finance Report"	Minutes 19/05/22 Item "Finance"	Minutes 27/09/22 Item "Finance Report"
Invoice value	£222.54	£954.00	£210.00
Minute value	£224.42	£795.00	£70.00
Payment value	£222.54	£954.00	£210.00
Statement value	£222.54	£290.72	£210.00
Timely payment	Yes	Yes	Yes
VAT recorded	Yes	Yes	
S137 recorded in ledger			
S137 minuted			
Notes	Invoice amount incorrect on minutes.	Cheque reference also recorded on ledger against clerk's wages. Bank statement shows this should be cheque 470. Net value recorded in minutes but other invoices appear to show gross values.	Minuted value only covers August cut and not the full invoice value.

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						