



Lincolnshire Association of Local Councils Internal audit checklist 2021/22

Name of Parish or Town Council		Sedgebrook Parish Council	
Parish Council website		https://sedgebrook.parish.lincolnshire.gov.uk/	
Name of internal auditor		Mrs Victoria Clark	
Date of audit		19/5/2022	
Type of audit Please select		Intermediate	Year-end (including AGAR)
Council contact information		Name	Email
Clerk		Jane Bratton	clerksedgebrook@gmail.com
RFO if different		As above	
Chairman		Councillor Clive Wood	cwsedgebrook@gmail.com
Electorate	283	Total number of seats	7
Quorum	3	Number of councillor vacancies	3
Precept Demand 2021/22	11970	Gross budgeted Income	12904
Date of most recent audit	17/4/2021	Date of next audit agreed with Clerk	TBC
		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?		Y	

Key governance review		Y/N	Comments & recommendations	Risk		
				Low	Med	High
1	Standing orders (tailored and reviewed)	Y				
2	Financial regulations (tailored and reviewed)	Y				
3	Terms of reference (committees / working groups)	N/A	No committees or working groups			
4	Code of Conduct (elected members)	Y				
5	Complaints procedure (tailored and reviewed)	N	Completed and to be approved, amended 19/5/22	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 eg vehicles, assets, equipment, volunteers ... 	Y	Could be added to the council's website	X		

Transparency		Y/N	Comments & recommendations	Risk		
				Low	Med	High
7	Internal controls (statement or review)	Y	Financial Regulations			
8	Investment strategy	N/A	No investment			
9	Publication scheme (reviewed)	N				
10	Risk assessment (statement or review)	Y	cccc			
11	Pay policy (staffing - reviewed)	Y	Annually reviewed			
12	Spending authorised	Y	On financial regulations & approved at meetings			
13	Procurement correctly administered	Y	ccc			
14	Land and assets (reviewed)	Y				
15	Adequate GDPR policy / procedures in place	Y				
16	Arrangement for inspection of public records adequate	Y				
Transparency codes mandatory for councils with turnover under £25k and over £200k						
17	All items of expenditure above £100 published by 1 July	Y				
18	End of year accounts published by 1 July	Y				
19	Annual Governance statement published by 1 July	Y				
20	Internal audit report published by 1 July	Y				
21	Councillor responsibilities published by 1 July	Y				
22	Asset register published by 1 July	Y				
23	Agendas and meeting papers published within three clear days	Y				
24	Draft minutes published within one month of the meeting	Y				

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				
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				

Budget		Y/N	Comments & recommendations	Risk		
				Low	Med	High
32	Annual budget in support of precept	Y				
33	Precept demand properly minuted	Y				
34	Earmarked reserves reviewed	Y	In a deposit account			
35	Budget is monitored regularly with variances reported to council in line with Financial regulations	Y				

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

Bank reconciliation		Y/N	Comments & recommendations	Risk		
				Low	Med	High
39	Regular bank statement reconciliation	Y				
40	Balancing entries (adjustments) explained	N/A				
41	Bank mandate up to date • Evidence of signatories	Y				

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

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

Asset control		Y/N	Comments & recommendations	Risk		
				Low	Med	High
52	Register of assets <ul style="list-style-type: none"> • Reviewed • Up to date 	Y				
53	Assets inspected and Health & Safety issues considered <ul style="list-style-type: none"> • Play equipment • Street furniture • Fire safety • Defibrillators • Other 	Y N Y	To be regularly checked & documented Checked & waiting for battery			

Risk management		Y/N	Comments & recommendations	Risk		
				Low	Med	High
54	Evidence of unusual activity from minutes	N				
55	Annual risk assessment undertaken as a minimum	Y				
56	Financial controls and procedures documented	Y				
57	Regular financial reporting to Council in line with Financial regulations	Y				
58	Reporting of bank balances minuted	Y				
59	Grants ratified and minuted according to policy	Y	Policy to be put on website			

General		Y/N	Comments & recommendations	Risk		
				Low	Med	High
60	GPC <ul style="list-style-type: none"> • Council eligible • GPC adopted 	N				
61	Back up of files adequate	Y	On computer & USB which is held off site			
62	Storage of files (paper and electronic) adequate	Y	Minutes in a metal filing cabinet			
63	Local Council Award Scheme <ul style="list-style-type: none"> • Foundation • Quality • Quality Gold 	N				

Proper Process / Practice		Y/N	Comments & recommendations	Risk		
				Low	Med	High
64	Employee posts properly recorded <ul style="list-style-type: none"> • Proper Officer (Clerk) • RFO • Deputy Clerk • Admin assistant • Site staff • Other 	Y Y N/A N/A Y				
65	List of Members' interests <ul style="list-style-type: none"> • displayed on website • reviewed regularly 	Y				
66	Declarations of acceptance of office <ul style="list-style-type: none"> • New councillor • Chairman 	Y				
67	Co-options according to policy	N	Could be put in place			
68	Agenda documents correct	Y				
69	Minutes correct / signed	Y				
70	Purchase order system used/correct	N/A				
71	Purchasing authorised in line with Financial regs / limits	Y				
72	Council operating within legal powers <ul style="list-style-type: none"> • Legal powers identified in minutes 	Y				
73	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				

Payroll & HR		Y/N	Comments & recommendations	Risk		
				Low	Med	High
74	Contracts of employment for all staff	Y				
75	Written statement of particulars for all staff from day one (April 2020 onwards)	Y				
76	Proper procedures for payroll, PAYE & NI	Y				
77	PAYE & NI payments verified	Y				
78	Approval of salaries and increments	Y				
79	Approval of expense claims	Y				
80	Minimum wage threshold met	Y				
81	HR procedures and policies adopted / reviewed	Y	Annually reviewed			
82	Training policy and record staff /elected Members	N	Members of LALC training scheme Policy could be put in place			
83	Qualified Clerk <ul style="list-style-type: none"> • CiLCA 2015 or later • Level 4 Community Governance or higher 	N				
84	Annual appraisal undertaken	Y				
85	Job description up to date / reviewed	Y				
86	Health and safety of staff workstation & PC equipment undertaken <ul style="list-style-type: none"> • Display Screen Equipment 	Y	Clerk has undertaken things			

Transaction spot check

Check number	1	2	3	4	5	6
Ledger date	8/4/2021	16/6/2021	9/6/2021			
Item / budget heading	Y	Y	Y			
Reference / Cheque number	352	363	369			
Order minute reference						
Delivery evidence						
Payment minute reference	12.8	20.7	20.3			
Invoice value	123.06	138.00	187.25			
Minute value						
Payment value						
Statement value						
Timely payment	Y	Y	Y			
VAT recorded	Y	Y	Y			
S137 recorded in ledger						
S137 minuted						
Notes	P E Hempstead & Sons	Time Assured Ltd	Royal British Legion Industries			

Appendix: additional areas for audit

	Allotments	Y/N	Comments & Recommendations	Risk		
				Low	Med	High
A1	Income for allotment rentals balance	N/A				
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	N/A				
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	N/A				
C2	Independently audited					
C3	Returns filed within legal time limits					

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

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