



Internal Audit Checklist 2022/23

<b>Name of Parish or Town Council</b>	Sedgebrook Parish Council		
<b>Parish Council website</b>	<a href="https://sedgebrook.parish.lincolnshire.gov.uk/">https://sedgebrook.parish.lincolnshire.gov.uk/</a>		
<b>Name of internal auditor</b>	Mrs Victoria Clark		
<b>Date of audit</b>	5 May 2023		
<b>Type of audit (Please tick)</b>	<input type="checkbox"/> Intermediate	<input type="checkbox"/> Year-end (including AGAR)	<input checked="" type="checkbox"/>
<b>Council contact information</b>	<b>Name</b>	<b>Email</b>	
<b>Clerk</b>	Jane Bratton	clerksedgebrook@gmail.com	
<b>RFO* if different</b>	As above		
<b>Chairman*</b>	Councillor Clive Wood	cwsedgebrook@gmail.com	
<b>Electorate</b>	283	<b>Total number of seats</b>	7
<b>Quorum</b>	3	<b>Number of councillor vacancies</b>	3
<b>Precept Demand 2022/23</b>	12,460	<b>Gross budgeted Income</b>	
<b>Date of most recent audit</b>	1 February 2023	<b>Date of next audit agreed with Clerk</b>	TBA
	<b>Y/N</b>	<b>Comments</b>	
<b>Has the internal auditor seen previous audit reports including the most recent?</b>	Y		
<b>Is there evidence that previous internal and external audit reports have been acted upon?</b>	Y		

Key governance review		Y/N	Comments & recommendations	Risk <sup>i</sup>		
				Low	Med	High
1	Standing orders (tailored and reviewed)	Y		X		
2	Financial regulations* (tailored and reviewed)	Y		X		
3	Terms of reference (committees / working groups)	N/A	No committee or working groups A staffing committee would be good practice		X	
4	Code of Conduct* (elected members)	Y		X		
5	Complaints procedure* (tailored and reviewed)	Y		X		
6	Insurance Cover* <ul style="list-style-type: none"> <li>Reviewed annually</li> <li>Certificate(s) viewed &amp; valid</li> <li>Employees' Liability Cover in place and published</li> <li>Public Liability Cover</li> <li>Employees' Fidelity Guarantee</li> <li>Councillors' ages reviewed and recorded</li> <li>Other e.g. vehicles, assets, equipment, volunteers ...</li> </ul>	Y		X		
7	Council contact details available online	Y	Through the Clerk		X	
8	Up to date employment contracts for all staff	Y		X		
9	Publication scheme in place*	N	This is a statutory requirement			X
10	GDPR policies in place* <ul style="list-style-type: none"> <li>Record Retention Schedule</li> <li>Data Breach Assessment</li> <li>Process for dealing with a Subject Access Request</li> <li>Security Compliance Checklist ....</li> </ul>	Y		X		
11	Arrangement for inspection of public records adequate*	N	This is a statutory requirement			X
12	External audit report published by 30 Sept (if relevant)*	N/A		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"> <li>• Correctly claimed exemption from audit (if relevant)</li> </ul>	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*	Y		X		
18	Asset register published by 1 July*	Y		X		
<b>Councils under £25K turnover and over £200K (Best Practice for those under £200K):</b>						
19	All items of expenditure above £100 published by 1 July (over £500 for larger)	Y		X		
20	Councillor responsibilities published by 1 July	Y		X		
21	Draft minutes published within one month of the meeting	Y		X		
<b>Councils over £200K turnover:</b>		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	Y		X		
28	VAT* • evidence of recording • evidence of reclaiming	Y		X		
		Y		X		
29	All payments supported by authorised, minuted invoices	Y		X		
30	s.137* • 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 • 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 • Variances from budget explained	Y		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	N/A				
39	Effective security of card transactions	N/A				

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

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

Year-end process		Y/N	Comments & recommendations	Risk		
				Low	Med	High
48	Accounting according to • 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	Y		X		
52	Other					

Asset control		Y/N	Comments & recommendations	Risk		
				Low	Med	High
53	Register of assets* <ul style="list-style-type: none"> <li>• Exists</li> <li>• Reviewed</li> <li>• Up to date</li> </ul>	Y		X		
54	Assets inspected and Health & Safety issues considered* <ul style="list-style-type: none"> <li>• Play equipment</li> <li>• Street furniture</li> <li>• Fire safety</li> <li>• Defibrillators</li> <li>• Other</li> </ul>	Y		X		

Risk management		Y/N	Comments & recommendations	Risk		
				Low	Med	High
55	Risk management scheme in place	Y	To be reviewed		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	Y		X		
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"> <li>• Council eligible</li> <li>• GPC adopted/ up to date</li> </ul>	N		X		
63	Back up of files adequate	Y	Cloud & USB	X		
64	Storage of files (paper and electronic) adequate	Y	LCC storage and metal cupboard	X		
65	Local Council Award Scheme <ul style="list-style-type: none"> <li>• Foundation</li> <li>• Quality</li> <li>• Quality Gold</li> </ul>	N		X		
66	Website Accessibility Statement published online*	Y		X		

Proper Process / Practice		Y/N	Comments & recommendations	Risk		
				Low	Med	High
<b>67</b>	Employee posts properly recorded/ correct job descriptions <ul style="list-style-type: none"> <li>• Proper Officer (Clerk)</li> <li>• RFO</li> <li>• Deputy Clerk</li> <li>• Admin assistant</li> <li>• Site staff</li> <li>• Other</li> </ul>	Y Y Y		X		
<b>68</b>	List of Members' interests* <ul style="list-style-type: none"> <li>• displayed on website</li> <li>• reviewed regularly</li> </ul>	Y		X		
<b>69</b>	Declarations of acceptance of office* <ul style="list-style-type: none"> <li>• New Councillor</li> <li>• Chairman</li> </ul>	Y	These will all be completed again at May meeting	X		
<b>70</b>	Co-options according to policy	N/A	Uncontested election As there are vacancies the council could have a co-option policy and advertise for suitable candidates	X		
<b>71</b>	Agenda documents correct	Y		X		
<b>72</b>	Minutes correct / signed*	Y		X		
<b>73</b>	Purchase order system used/correct	N/A		X		
<b>74</b>	Purchasing authorised in line with Financial regs / limits	Y		X		
<b>75</b>	Council operating within legal powers* <ul style="list-style-type: none"> <li>• Legal powers identified in minutes</li> </ul>	N			X	
<b>76</b>	Delegation to officers or committees <ul style="list-style-type: none"> <li>• Scheme of delegation</li> <li>• Limits set out in financial regulations and / or standing orders;</li> <li>• adhered to;</li> <li>• reported adequately</li> </ul>	Y		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?	Y	In-house	X	External			X	
80	PAYE & NI payments verified	Y					X		
81	Approval of salaries and increments	Y					X		
82	Approval of expense claims	Y					X		
83	Minimum wage threshold met	Y					X		
84	HR procedures and policies adopted / reviewed	Y							
85	Training policy and record staff /elected Members	N						X	
86	Qualified Clerk <ul style="list-style-type: none"> <li>• CiLCA 2015 or later</li> <li>• Level 4 Community Governance or higher</li> </ul>	N						X	
87	Annual appraisals undertaken	N	Problems are dealt with straight away, however annual appraisals would be good practice					X	
88	Job description up to date / reviewed	Y					X		
89	Health and safety of staff workstation & PC equipment undertaken * <ul style="list-style-type: none"> <li>• <a href="#">Display Screen Equipment</a></li> </ul>	Y					X		
90	Adequate Pension provision in place	N/A	LGPS		Tick				
			NEST		Tick				
			Other		Identify				
	• Automatic Enrolment for Staff*	Y		N		DD/MM/YYYY			
• Opt Out Evidenced*	Y		N		DD/MM/YYYY				



	<ul style="list-style-type: none"><li>• Declaration of Compliance*</li></ul>		<b>Y</b>		<b>N</b>		DD/MM/YYYY			
	<ul style="list-style-type: none"><li>• Redeclaration of Compliance</li></ul>		<b>Y</b>		<b>N</b>		DD/MM/YYYY			

## Transaction spot check

Check number	1	2	3	4	5	6
Ledger date	6/2/23	17/2/23				
Item / budget heading	Jubilee Green	Jubilee Green				
Reference / Cheque number	200674	200676				
Order minute reference	1/9/22 9.1	9/2/2023 9.2				
Delivery evidence	Y	Y				
Payment minute reference	16.4.8					
Invoice value	5880	1203				
Minute value	<b>5880</b>	<b>1203</b>				
Payment value	5880	1203				
Statement value						
Timely payment	Y	Y				
VAT recorded	Y	Y				
S137 recorded in ledger	N/A	N/A				
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"> <li>backed up if appropriate</li> </ul>					
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.**

<sup>i</sup> **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.