

Laceby Parish Council

Internal Audit Checklist

Name of Council	Laceby	Name of Clerk	Nicola Ashton
No of Councillors	10	Name of RFO (if not Clerk)	
Quorum		Precept	£41,631
Electorate	4200 approx.	Gross budgeted income	£50,000

1. Bookkeeping			
Ledger maintained and up to date?	Yes		Issues with earlier in the year – see “additional comments” #1
Arithmetic correct?	Yes		Using Scribe Accounts so all arithmetic is carried out electronically
Evidence of Internal Control?	Yes		Signed by the chair and discussed at the Council meeting (minutes seen). Evidence also seen confirming having been emailed to councillors in advance of the meeting, giving adequate time for full checks, reviewing and the opportunity for questions to be raised
VAT evidence, recording and reclaimed?	Yes		Copy of VAT submission seen. Generated through the Scribe Accounts software
Payments supported by invoices, authorised and minuted?	Yes		Full details of payments evidenced. Copies kept separate from the monthly minutes, but they are signed by three councillors and a summary is shown in the monthly minutes
S137 separately recorded and within limits?	Yes		This is clearly recorded and noted separately. The current rate is £7.86 per electorate, so a maximum of £33k is allowed. Total spend for year was £600
S137 expenditure of direct benefit to electorate?	Yes		£500 paid to Laceby in Bloom, £100 paid to assist the Poppy Appeal. See “Additional Comments” #2

2. Due Process			
Standing Orders adopted?	Yes		Evidence seen in the May 2018 council meeting these have been properly minuted evidencing the discussions taking place

Standing Orders reviewed at Annual Meeting?	Yes		Minuted May 2018 council meeting
Financial Regulations adopted?	Yes		Minuted May 2018 council meeting
Financial Regulations tailored to Council?	Yes		Small alterations made, main one being to increase an authorisation limit for the Chair to sanction urgent spending – must still be counter-authorised by a second councillor
Adequate internal controls for payments?	Yes		Documentation all in place for payments being made.
List of members interests held?	Yes		A list is available on the council website BUT it hasn't been updated sine 2015. See "Additional Comments" #3
Agendas signed, informative and published with 3 clear days' notice?	Yes		Emailed to councillors; posted on website and displayed on the village notice board. This is all done the Tuesday of the week before the meeting
Purchase orders/confirmations raised for all expenditure?	Yes		Proposed expenditure discussed at meetings, two quotes (reduced from three as council found it often too onerous to obtain three) provided and then agreement made s to which one to proceed with. Payment only made upon receipt on invoice and confirmation of work having been carried out satisfactorily
Legal powers identified in minutes and or cashbook?	Yes		Minuted May 2018 meeting
Committee Terms of Reference and reviewed?	Yes		No other committee in situ. Personnel matters discussed as and when required after a normal meeting ends. See "Additional Comments" #4

3. Risk Management			
Does scan of minutes reveal any unusual activity?		No	Nothing unusual seen. Chair (or substitute chairing the meeting) has signed the minutes and signed/initialled the individual pages. See "Additional Comments" #5
Annual risk assessment carried out?		No	This has not been carried out but has been made a priority to do so in the immediate future. See "Additional Comments" #6
Insurance cover in place and appropriate?	Yes		Recently renewed – copy of policy document seen.
Evidence of annual insurance review?	Yes		Policy renewal occurred before the next available meeting for a discussion and

			agreement was of provider was carried out by email
Internal financial controls documented and evidenced?	Yes		Allowances agreed and minuted
Minutes initialled each page and overall signed?	Yes		Checked through – all pages initialled with a signature on the final page.
Regular reporting of bank balance?	Yes		Seen and evidenced – carried out at all meeting since Sept 2018

4. Budget			
Annual budget to support precept?	Yes		Presented in January 2019 for the council to discuss and review. Some questions raised and alterations made.
Has budget been discussed and adopted by Council?	Yes		Minuted January 2019
Any reserves earmarked?		No	Nothing earmarked as such as the larger expenditure is being paid for by the Solar Funding available
Any unexplained variances from budget?	Yes		Decided to replace and not repair the War Memorial but this now is to be funded via Solar Funding
Precept demand correctly minuted?	Yes		Minuted January 2019

5. Payroll - Clerk			
Contract of employment?	Yes		Copy seen
Tax code issued?	Yes		BR tax code used as Clerk has primary employment elsewhere
PAYE/NI evidenced?	Yes		PAYE software used
Has Council approved salary paid?	Yes		Paid standard council clerk pay
Any other payments reasonable and approved by Council?	Yes		Authorised for some petty cash expenditure reclaims (no actual petty cash held) and overtime when agreed as being required by the council

6. Payroll - Other			
Contracts of employment?	Yes		Confirmed as being in situ but new clerk is having difficulty finding them
Does Council have public liability cover?	Yes		Employer and Public Liability cover in place
Tax codes used?	Yes		Payslips seen. Two members of staff; one with BR tax code (other primary

			employment held) and the other with a code of 1185L
Minimum wages paid?	Yes		Paid standard living wage
Pension obligations met?	Yes		Non meeting minimum requirements for joining BUT they have been offered to join voluntarily
Complaints procedures in place?	Yes		Copy held in HR file

7. Asset Control			
Does Council keep a register of all material assets owned?	Yes		Copy of register seen
Is asset register up to date?	Yes		Last reviewed April 2019
Value of individual assets included?	Yes		Seen
Inspected each year and reviewed?	Yes		Evidence seen
Records of deeds, articles etc. kept?	Yes		Copies held where available – but a review being carried out to ensure none are missing

8. Cemetery			
Are bookings recorded and handled appropriately?	Yes		Separate register used. This shows bookings, requirements and payments due/received
Are payments recorded and actioned?	Yes		Minuted
Are regulations complied with including PC's own rules and regulations?	Yes		Seen Feb 2019

9. Allotments			
Are tenancy agreements issued yearly?	Yes		Had been on a rolling tenancy but this has been amended this year
Are rents collected appropriately and banked?	Yes		Evidence seen. See "Additional Comments" #7
Are the PC's own regulations complied with?	Yes		Regulations in place and enforced

10. Bank Reconciliations			
IS there a bank rec for each account?	Yes		Evidence seen
Reconciliations carried out at least quarterly?	Yes		Carried out monthly. Would suggest having all pages signed/initialled going forwards for confirmation of them having been seen

Any unexplained balancing entries in reconciliation?	Yes		Evidence seen for explanation. See "Additional Comments" #8
--	-----	--	---

11. Year End Procedures			
Year end accounts prepared on correct accounting basis?	Yes		All produced via the Scrive Accounts software. Going forwards all pages should be signed/initialled
Bank statements and ledger reconcile?	Yes		Evidence seen
Underlying financial trail from records to presented accounts?	Yes		Evidence seen
Has Council agreed, signed and minuted sections 1 and 2 of the Annual Return?	Yes		Seen

12. Miscellaneous			
Have points raised at last audit been addressed?	Yes		Was an issue with the dates some documentation was made available due to the Clerk being new. Going forward the Clerk will ensure the dates coincide
Has the Council adopted a Code of Conduct after July 2012?	Yes		All in place
Are all electronic files backed up?	Yes		All on separate PC. This is then backed up onto a USB drive and an external hard drive every month. See "additional Note" #9
IS GDPR being complied with?	Yes		Review carried out in Aug 2018; this was very in-depth. Targets set and adopted Nov 2018
Do arrangements for public inspection of Council's records exist?	Yes		Appointments can be made to view documents at a neutral venue
Is the Council's gross annual turnover less than £25k (net of VAT) and if so, has it complied with the Smaller Authorities Regulations 2015?	Yes	No	Not Applicable

Any further additional comments/ notes from Auditor:

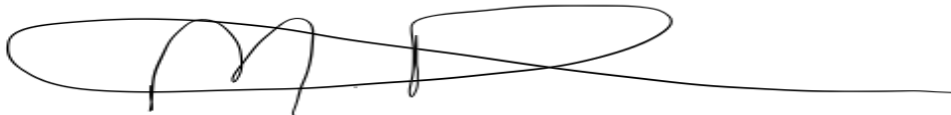
Overall happy with the Internal Audit. Below are some comments either explaining items further or making suggestions which may assist the Clerk in the future

- 1) It has been explained that the Clerk only joined the council earlier in the year and at the point of taking over procedures were not at the standard they should have been. Since the Nicola has taken over the role of Clerk I am very happy with the procedures implemented.

- 2) The S137 spending is only low because there is funding available for the village from the solar farm and this has been the first port of call for anyone requesting funds
- 3) I have been informed that letters have been issued requesting new lists of members interests held. Most have returned this information but there are still a few outstanding
- 4) A separate committee for the Allotments may be something useful going forwards. This may assist with some of the more mundane discussions required
- 5) It is recommended to generate automatic numbers on the individual pages of the minutes
- 6) When carrying out the risk assessment the discussion of cash handling should be discussed in depth, as this can cause major issues. Most other councils now are moving away from accepting payments in cash (only accepting BACS or cheques).
- 7) Suggested carrying out an annual scheduled availability for all allotment holders, this will allow for tenancies to be renewed and paid for all in one go, saving time.
- 8) There was a large balance set aside for GDPR – this has been fully discussed and dismissed as not required. It has been considered for the budget this year
- 9) Would a cloud based back up system be easier and safer? Advice is required as to the best cloud back-up to use as not all meet legal security requirements

Internal Audit carried out by: Mark Peterson

Date: 7th June 2019

A handwritten signature in black ink, appearing to be 'M. Peterson', written over a horizontal line.

Signed:

Report sent to Council – signed by the Clerk:

Report received by Council – signed by the Chairman: